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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1987

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

NINETY-NINTH CONGRESS

SECOND SESSION

ON

H.R. 5203

AN ACT MAKING APPROPRIATIONS FOR THE LEGISLATIVE BRANCH FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1987, AND FOR OTHER PURPOSES

U.S. SENATE
ARCHITECT OF THE CAPITOL (EXCEPT HOUSE ITEMS)
CONGRESSIONAL BUDGET OFFICE
GENERAL ACCOUNTING OFFICE
GOVERNMENT PRINTING OFFICE
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CONTENTS

WEDNESDAY, JUNE 25, 1986, 1986

Page

U.S. Senate:

Office of the Secretary of the Senate 1
Office of the Sergeant at Arms and Doorkeeper 39
Architect of the Capitol 57
Library of Congress 95
Congressional Research Service 105

THURSDAY, JUNE 26, 1986

General Accounting Office 145
Government Printing Office 185
Congressional Budget Office 205
Office of Technology Assessment 271
Congressional Budget Office 291

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1987

WEDNESDAY, JUNE 25, 1986

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:10 a.m. in room S–128, the Capitol, Hon. Alfonse M. D'Amato (chairman) presiding.

Present: Senators D'Amato, Hatfield, and Bumpers.

U.S. SENATE

OFFICE OF THE SECRETARY OF THE SENATE

STATEMENT OF HON. JO-ANNE L. COE, SECRETARY OF THE SENATE

OPENING REMARKS

Senator D'AMATO. The subcommittee will come to order. This morning we will receive testimony on the fiscal year 1987 budget request for the Secretary of the Senate, the Sergeant at Arms and the Doorkeeper of the Senate, the Architect of the Capitol, and the Library of Congress.

We have received written statements from all of our witnesses and those statements will be printed in the record in full.

I also have a number of questions to submit for the written responses of the witnesses, and I would ask each of the witnesses to summarize his or her prepared statement.

We are pleased to have Mrs. Coe, our Secretary of the Senate.

Good morning, Jo-Anne.

Mrs. COE. Good morning, Mr. Chairman. First, let me apologize for being a few minutes late but we had to open the Senate Chamber.

Senator D'AMATO. Certainly.

Mrs. COE. But I appreciate your comments, your introduction, and the opportunity to be here today to present the fiscal 1987 budget for the Office of the Secretary of the Senate.

SUMMARY OF STATEMENT

With your permission, Mr. Chairman, I will summarize my statement and request that the entire written statement be included in the record, as you indicated.

Senator D'AMATO. So ordered.

Mrs. COE. This year's appropriation request, once more, reflects my very best efforts to keep the funding level for the Secretary's Office as low as possible.

When I appeared before the subcommittee last year, my testimony revealed what we felt was very good news; namely, that I had been successful in reducing the projected budget for this Office by nearly $700,000, representing over 8 percent of the original Office submission.

GRAMM-RUDMAN-HOLLINGS CUTS

Expenses were cut or frozen in 16 of 21 categories, including employees' salaries. In accordance with the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985—Gramm-Rudman-Hollings—this year we were in the difficult, but necessary, position of complying with the statutory directive to implement a 4.3-percent reduction in our 1986 salary and administrative accounts. Hence, coupled with last year's voluntary reduction, this Office has reduced its projected budget by 12.4 percent since I assumed the Office of Secretary.

Regrettably, this year I am unable to report equally encouraging budget reduction news, but I am happy to report that our request does hold expenses to fiscal 1986 levels in 20 of 23 categories. Fiscal 1987 expenses are being held to fiscal 1985 levels in 17 of 24 categories.

BUDGET INCREASES IN THREE AREAS

Increases are requested in three areas of office expenses only—the Senate Library's microform subscriptions, the Library's standing orders, and the Senate Page School. In the first two instances, we are adjusting our budgets to meet the rising costs of the services provided by outside commercial vendors over whom we have no control.

In the case of the Page School, although we do anticipate an increase, we have not yet received a proposed contract from the District of Columbia Public Schools. Nonetheless, we estimate that costs will not exceed $200,000.

Thus, Mr. Chairman, our total request for fiscal 1987 is $7,653,014.

Our most substantial increase is requested for staff salaries. Last year, we committed ourselves to holding salaries to the fiscal 1985 salary appropriations. We have honored that commitment in fiscal 1986 and froze all salaries during that period. In a few instances, increases are being sought to cover salaries for new positions created due to substantially increased workloads, such as is the case with the Office of Interparliamentary Services.

Also, for morale purposes and the stability of a competent work force, in fiscal 1987 we would like very much to give deserving employees an increase, most of whom have not received merit raises for more than a year.

And that, Mr. Chairman, is a summation of my testimony.

[The statement follows:]

STATEMENT OF JO-ANNE L. COE, SECRETARY OF THE SENATE

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to appear today to present the 1987 fiscal year budget for the Office of the Secretary.

When I appeared before this Subcommittee last year, my testimony revealed some very good news: namely, that I had been successful in reducing the projected budget for this Office by nearly $700,000 or over 8 percent of the Office's original submission. Expenses were cut or frozen in 16 of 21 categories, including employee salaries.

In accordance with the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 (P. L. 99-177), this year we were in the difficult, but necessary, position of complying with the statutory directive to implement a 4.3 percent reduction in our 1986 salary and administrative accounts. Hence, coupled with last year's voluntary reduction, this Office has reduced its projected budget by 12.4 percent since I assumed the office of Secretary of the Senate.

SUMMARY OF BUDGET

Regrettably, this year I am unable to report equally encouraging budget reduction news, but am happy to report that our request holds expenses to FY 1986 levels in 20 of 23 categories. Fiscal year 1987 expenses are being held to FY 1985 levels in 17 of 24 categories. Increases are requested in three areas only: the Library's microform subscriptions, the Library's standing orders, and the Senate Page School. In the first two instances, we are adjusting our budgets to meet the rising costs of the services provided by outside commercial vendors over whom we have no control. In the case of the Page School, we anticipate an increase, although we do not yet have a proposed contract from the District of Columbia Public Schools. Nonetheless, we estimate that costs will not exceed $200,000. And so, Mr. Chairman, our total request for FY 1987 is $7,653,014.

Our most substantial increase is requested for staff salaries. Last year we committed ourselves to holding salaries to the FY 1985 salary appropriations. We have honored that commitment in FY 1986. In a few instances, increases are being sought to cover salaries for new positions created due to substantially increased workloads, such as is the case with the Office of Interparliamentary Services. Also, for morale purposes and the stability of a competent working force, in FY 1987 we hope to give to deserving employees an increase, most of whom have not received merit raises for more than a year.

COMPUTER POLICY

Last year, I reported to you my firm commitment to support the various uses of computer systems and services throughout the offices of the Secretary of the Senate. During the past year, the offices have been very active with requests for enhanced computer services.

Although concerned with containing costs of operating the Senate, I likewise acknowledge the need to fully automate the offices under the Secretary. As with all other services and systems, automation is a costly venture. The Sergeant at Arms has been requested to procure all the necessary and approved equipment for my offices during this past year. I hasten to add that Mr. Garcia has been most supportive of our automation projects and has provided funding for new equipment in spite of the impact on his own budget. I am most grateful for the support of both the Sergeant at Arms and this Committee in the area of automation.

Specific Applications

For over seven years, the Senate Stationery Room has been using a computer system for all inventory and sales to the Senate. This system has been used extensively over the years, and we are now in the process of installing a new system upgrade to allow the Stationery Room to continue providing service to offices into the next decade.

The Disbursing Office, a long-standing user of computers in the Senate, is continuing work on the new Payroll System for the Senate. Last year, I reported that the target date for completion and implementation of this system was this spring. Because of the complexity of the work and the enormous number of tasks still needing development, the system will not be implemented until early next year. As you know, we are now faced with implementing P. L. 99-335, the Federal Employees Retirement System Act of 1986. To support this retirement system, the new Payroll System must be operational no later than July 1987. I have assurances from all parties working on the system that we will be using the new system several months before that date. In addition to the new Payroll System, the Disbursing Office is in the process of replacing their Burroughs machines, used to issue Senate expense checks, with two microcomputers for this project.

The Historian's office will compile and edit information for the next edition of the Biographical Directory of the American Congress. This project will be fully automated ensuring that future updates are incorporated in a timely manner.

As you know, my office is responsible for collecting legislative information and entering this information into the Senate's Legislative Retrieval System. We have continued to provide this important service to the Senate, and as part of this service, announced a new program for all Senate offices. The TREATY file was released this past fall. This file contains status information for all treaties of this Congress, in addition to treaties for the last several Congresses.

The Senate Library announced the computerization of their card catalog for all the offices to view using computer terminals in their offices.

As in the past, the offices use computers to monitor and update paper allocations for the Senate offices. We also computerize registration of lobbyists, financial disclosure statements and campaign reports.

SEMINARS

Our Office, in conjunction with the Sergeant at Arms, sponsored 25 seminars in 1985. These seminars addressed such subjects as the legislative process, Federal election laws, Senate ethics, the budget process, and the services of the Senate Library. Workshops were conducted for receptionists and discussions organized for personal secretaries.

With few exceptions, these seminars were open to all Senate staff and announcements were sent to all offices. After the seminars, participants were asked to evaluate the content and usefulness of the program in order for our offices to plan effectively for future seminars. Over 730 Senate staff, representing 96 Senate offices and 14 standing committees, participated in the seminar program last year.

In addition, we cosponsored with the Library of Congress and the House of Representatives three Capitol Hill Information Seminars and three District/State Staff Institutes held in Washington.

SERVICE AWARDS

Mr. Chairman, since the Senate Service Award program began in 1965 with the passage of Senate Resolution 21, the Senate has, pursuant to an agreement with L. G. Balfour Company, been purchasing varying quantities of service pins, plaques and certificates for Senators, officers and staff.

Because of my growing concern over steadily rising costs and in an effort to improve delivery time, last summer I asked my staff to obtain several proposals for pins. Kay Jewelers provided the best bid, and we secured the pins for approximately one-half the amount we spent the previous year for gold-filled pins, without sacrificing either quality or timely delivery. I am pleased to report that since changing vendors, in 1985 we purchased the necessary gold-filled staff pins for a total of $3,032, as compared to $9,245 in 1984. I should point out that coincident with this activity, we were assured by the Senate Legal Counsel that no legal problems would ensue as a result of terminating our contractual relationship with Balfour.

A breakdown of prices with the savings per pin follows:

	Old Price	New Price	Savings
Senators' Pin	$78.95	$32.46	$46.49
Officers' Pin	51.50	24.62	26.88
Staff Pin	50.16	20.77	29.39

Because of time constraints, we used Balfour this past year for our annual order for framed certificates. However, we are presently seeking bids from vendors to handle our order for Senators' plaques and staff certificates next year. Additionally, we are exploring the possibility of handling the frame portion of the program in-house by utilizing the resources of the Government Printing Office through the Office of Printing Services and the Stationery Room, which would assure more timely delivery and a savings in costs. The results of these efforts will, of course, be reported.

CURATOR OF ART AND ANTIQUITIES

The Office of the Senate Curator was established in 1968 to implement the policies of the U. S. Senate Commission on Art and Antiquities. Its responsibilities are closely related to the museum programs of the Senate wing of the Capitol and the Senate office buildings. The Curator and staff suggest acquisitions, write and edit publications, provide appropriate exhibits, and engage in research. In addition, the office studies, identifies, arranges, protects, preserves and records the historical collections of the Senate, including paintings, sculpture and furnishings, and exercises supervisory responsibility for those chambers in the Capitol under the jurisdiction of the Commission on Art and Antiquities.

Major Activities

During the past year, the Senate's curatorial program has placed special emphasis on exhibits and publications. To mark the second inaugural of President Reagan, two exhibitions were mounted in the Crypt of the Capitol. One commemorated the 1789 inauguration of George Washington, while the other comprised a series of woodcut engravings that had been produced for popular American periodicals illustrating the inaugural festivities and Capitol ceremonies from the administrations of Franklin Pierce through Theodore Roosevelt.

In mid-summer, visitors to the Capitol were introduced to the world of painter Constantino Brumidi through an exhibition commemorating the 180th anniversary of the artist's birth.

During the summer, it was also possible to remount the popular exhibit, Manners in the Senate Chamber: Nineteenth Century Women's Views. The unique interpretation of the story of the Old Senate Chamber is based on the chronicles of women writers of the period, whose observations document many of the customs practiced by the Members in the Senate meetingplace of Webster, Clay and Calhoun.

To mark the 50th anniversary of the completion of the Supreme Court building, and the 135 year tenancy of the Court in the Capitol's Senate wing, an exhibit entitled The Supreme Court of the United States: The Capitol Years, 1801-1935, was installed on the first floor of the Capitol building adjacent to the entrance of the Old Supreme Court Chamber.

Exhibits designed to complement other historic areas of the Senate wing included the installation of paintings and prints in the Office of the Majority Leader, a collection of hand-bound works on American Vice Presidents for the Vice President's Room, and a selection of museum reproductions of panoramas and landscapes for the Senate Restaurant's Family Dining Room.

Considerable time during 1985 was spent on programs relating to the commemoration of the U. S. Senate Bicentenary. Working closely with the

Senate and House Historical offices, and representatives from many federal agencies, the office coordinated and implemented several museum programs recommended by the Study Group on the Commemoration of the Bicentenary.

The second annual Senate film series, sponsored by the Commission on Art and Antiquities, was held in May. A bicentenary program, last year's series included film biographies of Senators George Norris, Oscar W. Underwood, Justice Oliver Wendell Holmes, Jr. and Woodrow Wilson.

The fine arts and decorative arts collections of the Senate continue to grow with the addition of objects appropriate to the acquisition guidelines established by the Commission on Art and Antiquities. The collection of 19th and early 20th century engravings was increased by almost 100 examples. Also acquired for study and exhibition were 25 rare books, monographs and tracts from the 1800s, relating to the cultural and material history of the U. S. Senate, and two fine pieces of Staffordshire porcelain depicting the Capitol. The staff coordinated the loan of several works of art to and from the Senate during 1985.

An appropriate portion of the Commission's budget continues to include funds for the conservation of objects in the historic inventories of the Senate. Portraits of Daniel Webster and John Adams Dix were restored in recent months, and the "Ohio" clock which bears the distinction of being the oldest working clock in the Capitol, was cleaned and recalibrated by a Washington horologist.

During the years 1985-86, the Old Supreme Court and Old Senate chambers celebrate the tenth anniversaries of their reopening. They continue to be among the most popular sites for Capitol visitors and their maintenance and interpretations are important curatorial responsibilities for this office. In January, the Commission on Art and Antiquities sponsored what is believed to have been the first forum on historic preservation convened in the Capitol. The Curator's office continues to implement the Secretary of the Senate's registration responsibility for foreign gifts and decorations received by Senators, their spouses and Senate employees from representatives of foreign governments. Also, on behalf of the Secretary of the Senate, as authorized and directed by the Senate Committee on Rules and Administration, a design was organized for firms interested in submitting proposals for an official U. S. Senate flag.

SENATE HISTORICAL OFFICE

Background

The Senate Historical Office collects and provides information on important events, dates, statistics, precedents, and historical comparisons of current and past activities of the Senate for use by Members' offices, the press, scholars, and the general public. A staff of six advises Senators and committees on cost-effective disposition of their non-current office files, assists researchers seeking access to Senate records, and maintains a register of locations of former Members' papers. The office edits for publication, executive session transcripts of the Senate Foreign Relations Committee, conducts oral history interviews with retired senior Senate staff, and maintains extensive biographical information on all who have served in the Senate. The Photo Historian provides coverage of current Senate activities of potential historical significance and collects, for Senate and public use, older photographs illustrative of the Senate and its 1,667 former members.

Major Activities

Bicentennial Planning

The Senate Historical Office is also immersed in preparations for the observation of the Senate's 200th anniversary. The Study Group on the United States Senate Bicentenary, composed of current and former Members, the Librarian of Congress, the Archivist of the United States, and distinguished constitutional scholars, issued a report in 1982 that serves as a blueprint for planning this unique commemoration. The Study Group recommended that the Senate establish a committee on arrangements at the start of the 100th Congress in 1987. Until that time, the offices of the Senate Historian and the Senate Curator are at work, under the supervision of the Secretary of the Senate, on projects recommended by the Study Group. Both offices have established relations with the recently appointed Presidential Commission on the Bicentennial of the United States Constitution and are working with historical organizations, the Library of Congress, and the National Archives to plan programs appropriate to broadening scholarly and popular understanding of the Senate's history and traditions. Two specific Bicentennial publication activities of the Historical Office are the Biographical Directory of the United States Congress and the Guide to Senate Records at the National Archives.

Guide to Senate Records at the National Archives

There is currently no inventory or guide to the 20,000 cubic feet of Senate official records at the National Archives. Following the Study Group's recommendation that such a guide be prepared, work began in 1983 on sample chapters. Due to staff reductions during 1984 at the Archives, progress was minimal. By the end of the 1985 fiscal year, however, staff within the newly expanded Legislative Archives Division had produced three sample chapters. The Historical Office has reviewed these drafts to determine content and style and is arranging for their selective review by independent scholars.

Senate Records Preservation Program

The Historical Office also continued to monitor the Archives' work on a $300,000 project to restore badly deteriorating Senate records. Preservation work has concentrated on the 22nd through 25th Congresses (1831-1839) and the 70th through 79th Congresses (1927-1945). Work in the previous year concentrated on the first 21 Congresses (1789-1831) together with the 64th through 69th Congresses (1915-1927).

Senate Committee Records Management and Disposition Assistance

Committees received records management and disposition assistance from the Senate Archivist in the Historical Office through file surveys, staff seminars, and individualized consultations. During the fiscal year, 18 committees were assisted with the identification of permanently valuable files, design of filing systems, and arrangement and description of records transferred to the Senate's permanent holdings at the National Archives. All records transferred to the Archives were appraised and described to the folder level. This has resulted in an overall improvement in their administrative usefulness and the quality of historical documentation. Savings in the cost of storage have been effectuated through prompt disposal of large quantities of non-record material and the use of inexpensive storage space at the Washington National Records Center for records of temporary value.

Work on a new records management handbook for Senate committees continues. A draft was circulated for comment early in 1986.

Document Naming and Filing Conventions for Senate Office Automation Systems

The increasing use of office automation within Senate offices poses a particular danger to the survival and preservation of historical documents and information created and maintained on the magnetic media associated with these systems. Unlike paper documents, which are generally filed and preserved in the course of normal office business, documents created and stored on magnetic media must be transferred to an archival storage medium before they can be preserved. Transfer must be systematic and deliberate, and the success each office achieves will depend on the quality of the document naming and filing conventions, indexing, and level of corporate participation individual users demonstrate. To assist offices in these endeavors, the Archivist worked with representatives of office automation system vendors and with staff of the Senate Computer Center to devise conventions for each of the three approved systems. The resulting conventions, which have been distributed throughout the Senate and discussed in depth at user group meetings, facilitate identification and systematic preservation of information stored on magnetic media. The Archivist also worked with the staff of the Central Services Division of the Library of Congress to develop an updated Congressional Subject Classification Outline that is coded for computer input.

Senate Foreign Relations Committee Historical Series

The Associate Historian has continued editing the previously closed and classified hearings of the Senate Foreign Relations Committee. Volume XIII, part 2, covering June-December 1961, was published in December 1984. It received considerable press attention for its new information on the Bay of Pigs invasion and the beginnings of the Vietnam war.

Oral History

At the urging of the Chairmen of the Appropriations Committee and the Legislative Appropriations Subcommittee, former Secretary of the Senate, William F. Hildenbrand, agreed to an interview with the Historical Office, and the transcript will be opened for scholarly research in 1989. The oral history for former Secretary of the Senate, Francis R. Valeo, is still being conducted. During the past year, interviews with several former Senate staff members were opened for research. Copies of the opened transcripts have been deposited in the Senate Library, the Library of Congress, the National Archives, and with the papers of the Senators with whom these staff members served.

Bibliography of Works By and About Senators

During 1985, work continued on the project begun in 1984 to conduct a thorough search for all significant articles, books, and dissertations written by or about former Senators. The project was designed to identify citations for the Bicentennial Edition of the Biographical Directory of the United States Congress, whose new, expanded entries will include bibliographic citations for the first time. To date, searches of the Library of Congress catalog, dissertation abstracts, and compilations of articles in historical publications have yielded over 2,000 bibliographic entries. All citations gathered to date have been entered into an automated database and are available to researchers upon request.

SENATE LIBRARY

Information Services

LEGIS Service

The LEGIS staff answered almost 60,000 inquiries from Senate offices about the status of legislation. According to Computer Center personnel, there are now in use approximately 4,400 display terminals which offer access to the LEGIS and SCORPIO systems. This development has caused a larger decrease in the number of inquiries handled by our LEGIS unit than we have typically experienced in past first sessions (see chart below). Also a tendency for these requests to be more complicated and time-consuming, supports the assumption that Senate staff members are doing more of their own computer searching.

Other factors that may relate to the decrease in activity include fewer bills introduced, more omnibus measures such as the continuing resolutions, budget reconciliation and public debt increase, and system enhancements by the Computer Center that encourage wider usage.

Fiscal Year	Congress/ Session	Number of Inquiries	Percentage of Change From Previous Year	Percentage of Change From Same Session of Previous Congress
1977	95/1	38,893	+19%	--
1978	95/2	56,358	+45%	+73%
1979	96/1	46,635	-17%	+20%
1980	96/2	79,072	+70%	+40%
1981	97/1	61,643	-22%	+32%
1982	97/2	89,860	+46%	+14%
1983	98/1	77,352	-14%	+25%
1984	98/2	98,845	+28%	+10%
1985	99/1	59,605	-39%	-23%

Reference Service

The reference librarians responded to more than 11,000 requests for such information as legislative histories, newspaper and magazine articles, biographical information, quotations and statistics.

Fiscal Year	Congress/ Session	Number of Inquiries	Percentage of Change From Previous Year	Percentage of Change From Same Session of Previous Congress
1977	95/1	6,650	--	--
1978	95/2	7,845	+18%	--
1979	96/1	9,206	+17%	+38%
1980	96/2	12,644	+37%	+61%
1981	97/1	12,227	- 3%	+33%
1982	97/2	13,442	+10%	+ 6%
1983	98/1	12,102	-10%	- 1%
1984	98/2	13,172	+ 9%	- 2%
1985	99/1	11,129	-15.5%	- 8%

TECHNICAL AND SUPPORT SERVICES

Senate Library Computerized Catalog (SLCC)

At the end of the fiscal year, SLCC was released for use by all Senate offices; the announcement appeared in November 1985. Since this database contains bibliographic records of all current Senate and House publications, and of books about the Congress and journals on politics, it should prove useful to many other offices besides the Library.

In the spring, the Library's cataloging staff finished entering into the database of catalog records all monographs in the collection, including all of those requiring original cataloging. This achievement made possible the disposal of the old card catalog, which had been compiled over the past half century by many persons.

Approximately 9,450 newly acquired books, government documents, hearings and committee prints were processed into the collection, and 9,078 bibliographic records were added to the online catalog.

Publications

A supplement to Presidential Vetoes covering the years 1977-1984 was compiled, printed by the Government Printing Office and distributed last June. The Senate Library brochure was revised and printed in September.

BOOKBINDER/CONSERVATION SPECIALIST

Binding Standards

The office continued to assist the Senate Library and Senate committees in the preparation of material being sent to GPO for binding and to inspect material returned from GPO to assure that the quality of workmanship meets acceptable levels.

Services to the Senate Curator's Office

The office assisted in the preparation of three exhibits: "First Presidential Election," "Manners in the Senate Chamber: 19th Century Women's View" and "Constantino Brumidi."

A project to rebind in leather a group of volumes about former Vice Presidents was completed. These books are currently on display in the Vice President's Ceremonial Office in the Capitol.

The office matted, framed and repaired a record number of graphic materials for display in the Capitol and in the Senate office buildings; among these some of the more noteworthy were a group of prints matted and framed for the Disbursing Office, a project for the Family Dining Room, and graphic materials prepared for the Capitol offices of the Majority Leader. Whenever applicable, graphic materials are matted and framed to the Museum Standards of the American Institute for Conservation in order to insure their preservation.

Services to the Senate Historical Office

The office matted and framed a group of photographs for permanent display in the Historical Office. In addition, two sets of oral history interviews were bound--those of William A. Ridgely and Francis O. Wilcox.

The office continued to monitor the program to preserve Senate records at the National Archives and Records Administration. A report was completed which dealt mainly with the improved capabilities of their conservation laboratory. A detailed report from NARA on the current status of the Senate program is expected in the near future. Upon receipt of this document, we will have a more definite idea of progress to date and of what still remains to be done. We also expect to be able to ascertain the balance of the $300,000 appropriated for the project.

Finally, the office continued to provide ongoing assistance relating to the preservation of the Historian's photographic collection.

OFFICE OF PUBLIC RECORDS

Background

The Office of Public Records receives, processes, and maintains records, reports, and other documents filed with the Secretary of the Senate involving the Federal Election Campaign Act, as amended; Federal Regulation of Lobbying Act; Senate Code of Official Conduct: Rule 34, Public Financial Disclosure, Rule 40, Registration of Mass Mailings, Rule 41, Political Fund Designees, and Rule 41(6) Supervisors' Reports on Individuals Performing Senate Services; and Foreign Travel Reports.

The office provides for the inspection, review and reproduction of these documents. During November 1984 through October 1985, the office served 1,700 individuals and sold approximately 114,000 hard copies of documents and in excess of 100 rolls of microfilm.

In November 1985, the Office of Pubic Records expanded its operation to include the following:

o increased number of hours that the office is open to the public and Senate staff for research and requests (8 a.m. through 6 p.m.);

o extended office hours (until 9 p.m.) on filing dates for the purpose of accepting filings;

o increased contact with Senate offices and campaign committee personnel for the purpose of responding to questions relating to the reporting requirements of the Federal Election Campaign Act, as amended, the Ethics in Government Act of 1978, and the Federal Regulation of Lobbying Act; and

o cooperated with the Select Committee on Ethics in presenting a series of workshops on the filing requirements for public financial disclosure reports.

Major Activities

Public Financial Disclosure

The filing date for Public Financial Disclosure was May 15, 1985. These reports were released to the public and press by Monday, May 20th. Copies were provided to the Select Committee on Ethics and appropriate State officials on that same day. Subsequent to the filing date, 40 Senators amended their filings. A total of 785 reports were filed containing more than 10,663 pages. There were 322 requests to review or receive copies of these documents.

Federal Regulation of Lobbying Act

There are 8,904 active lobbyists registered and reporting to the Office of Public Records. Last year, approximately 40,000 reports totaling 83,163 pages were filed, processed and made available to the public.

Federal Election Campaign Act, as Amended

In non-election years, a Mid-Year and a Year-End Report are required to be filed under the Act. These filings totaled 2,812 documents containing 58,162 pages.

SPECIAL DEPUTY, FEDERAL ELECTION COMMISSION

Background

The Secretary, as Ex-Officio Commissioner of the Federal Election Commission is represented through her Special Deputy in all Federal Election Commission activities.

Major Activities

Meetings

The Commission conducts most of its activities through regularly scheduled meetings, both in executive and open sessions. Executive sessions focus primarily on resolving compliance, audits and internal workings of the Commission, such as personnel matters. In 1985, 47 executive sessions were held. Other matters such as advisory opinions are considered in open session. There were 38 open sessions in 1985. No special sessions were held last year.

The Commission also held hearings on Sunshine Act Regulations and Contribution Limitations for Persons and Multicandidate Commission.

Audits

In 1985 the Commission released the audits of three political committees which had met the Commission's internal audit thresholds. Currently, 19 other committees are being audited.

Congressional Oversight

The Commission made five formal appearances before various committees of the Congress in 1985. These included the Appropriations Committee of the House and Senate, as well as appearances before the House Administation Committee and the Senate Committee on Rules and Administration, which are the oversight committees for the Federal Election Commission.

STATIONERY ROOM

As purchasing agent for the United States Senate's stationery supplies, the Stationery Room must maintain an adequate inventory at all times to meet the demands of Senatorial offices. These specific responsibilities include (1) preparing the annual Schedule of Stationery containing those items contracted for in a fiscal year for the use of the Senate; (2) referral of requests for items not presently carried in stock to the Assistant Secretary and the Rules Committee, which will act on the request; (3) purchasing through GSA whenever an item if offered by GSA is of a quality that will satisfy the needs of the Senate; and (4) purchasing directly or through the Schedule of Stationery, items offered by GSA that do not meet the quality requirements of the Senate, but are nonetheless requested by Senate offices.

During the course of last year's discussion of the Stationery Room, I reported that my office was sending questionnaires to all Senate offices. These questionnaires queried offices about their level of satisfaction, or lack thereof, with the services provided by the Stationery Room.

I am pleased to report that, of the 72 returns received, the vast majority reported satisfaction with the Stationery Room. Some of the responses read as follows: "They have bent over backwards to answer the needs of our office;" "No matter what we ask, they do their best to handle it;" and "Consistently receive outstanding services from your staff."

Twenty-one of the surveys reported no complaints with the level of service, but did suggest additional items to be stocked such as VHS and Beta tapes and a larger selection of gift items. A number of responses noted that the amount of time required to restock items posed a problem. I believe that we have corrected the problem.

The Senate Stationery Room completed fiscal year 1985 with gross sales of $2,824,376.00, an increase of $80,499.00 over fiscal year 1984. Total combined cash and charge sales tickets issued during the year amounted to 85,650.

There were 1,483 vendor vouchers processed and the Stationery Room issued 1,507 purchase orders for stock merchandise and 3,707 for special order items. Total combined purchases for stock and special order merchandise amounted to $2,822,716.00.

OFFICE OF INTERPARLIAMENTARY SERVICES

The Office of Interparliamentary Services (IPS) completed its fourth year of operation at the end of last year.

In addition to regular assignments and service activities, IPS assumed responsibility for the following new and/or special projects:

1. Arms Control Observer Group: This group was created in January 1985 and the administration of its travel was assigned to IPS. Staff handled three trips to Geneva, Switzerland for the Group last year.

2. North Atlantic Assembly Fall Meeting, October 10-15, San Francisco, California: Approximately 600 delegates, staff, and observers participated in this meeting. The appropriated budget was $450,000.

3. National People's Congress of the People's Republic of China: The National People's Congress responded to an invitation from the Majority and Minority Leader to send a delegation from the N.P.C. to the United States. The Interparliamentary Services staff took primary responsibility for logistics of the visit, and the Director and Assistant Director of IPS served as official escorts for the visitors. The Chinese visited Washington, D. C.; Charleston, West Virginia; New York, New York; Overland Park, Kansas; San Francisco, California; and Honolulu, Hawaii.

Because of the increasing workload of the IPS staff, the Secretary added another professional staff member last November.

The acceptance of this office throughout the Senate is apparent in the number of requests made to the Secretary for its services.

OFFICE OF CLASSIFIED NATIONAL SECURITY INFORMATION

Background

This office is under the policy direction of the Majority Leader, the Minority Leader and the Chairman of the Committee on Rules and Administration. It is under the administrative direction and supervision of the Secretary of the Senate. The office has authority to perform the administrative functions necessary to classify and declassify information relating to the national security considerations of nuclear technology in accordance with guidelines developed for restricted data by the responsible Executive agencies; to provide appropriate facilities for hearings of committees of the Senate at which restricted data or other classified information is presented; and to establish and operate a central repository in the Capitol for safeguarding of restricted data and other classified information.

Major Activities

During fiscal year 1985, there were a total of 109 classified hearings and meetings (32 hearings and 77 meetings). The Senate Committees on Appropriations, Armed Services, Foreign Relations, Judiciary and the Select Committee on Intelligence utilized this facility. The Arms Control Observer Group co-chaired by Senators Stevens, Nunn, Lugar and Pell used the facility for briefings and meetings in connection with the U.S./U.S.S.R. arms control negotiations.

At the request of Senator Stevens, Chairman of the Appropriations Subcommittee on Defense, and with the approval of the Majority Leader, the Director undertook certain classified tasks relating to the Atlantic Alliance and disarmament matters. These assignments included four trips to Europe for visits to NATO installations and to the Arms Control Talks in Geneva.

In addition to being used for hearings and briefings conducted in normal support of committees of the Senate, S-407 was used for briefings for all Senators called by the Leadership on eight occasions during fiscal year 1985. These briefings by the Executive Branch on matters of significant importance to the Senate were made by the Secretary of State Shultz, the President's National Security Adviser, Robert McFarlane, Ambassador Paul Nitze and CIA representatives.

The office also maintains classified material for Senate committees and members and maintains transcripts of the closed sessions of the Senate.

DOCUMENT ROOM

Major Activities

The workload paralled that of the last Congress with slightly fewer Senate (1,847) and House (3,739) bills introduced.

New Position

A Mail Clerk's position was created to focus more attention on an area of responsibility that has escalated rapidly in recent years. The position was filled by changing the title and job description of a staff member currently involved with numerous aspects of the office, and directing more time and attention to the processing of mail and related activities. The new position has been in existence for a period of approximately six months and has successfully worked as evidenced by the lack of mail returned to correction.

Sorting Modules

Sixteen new sorting modules for filing report size documents were added to supplement the 32 already in use. This has enabled the Document Room to keep on "regular" file Senate and House reports and documents of the current and preceding Congress. Material dated prior to that is housed in automated, consolidated shelving.

LEGISLATIVE DEPARTMENTS

LEGISLATIVE CLERK

The activities of the Legislative Clerk's office continued to operate in a consistently smooth manner during 1985. There were no significant operational changes during the year.

The Senate Calendar of Business, which was added to the Senate's LEGIS system in 1984 is working well and is available to Senate offices.

The legislative workload (ending October 31, 1985) remained about the same. Representative statistics relating to certain functions performed by the Legislative Clerks are as follows:

	97th Congress		98th Congress		99th Congress
	1981 (1st Sess)	1982 (2nd Sess)	1983 (1st Sess)	1984 (2nd Sess)	1985 (1st Sess)
Total Measures Passed	365	440	339	529	412
Total Measures Reported	400	503	435	557	370
Quorum Calls	9	46	15	17	19
Rollcall Votes	345	383	278	257	270

PARLIAMENTARIAN

During the past year, the Parliamentarian's Office has experienced a heavy legislative workload on the floor and in the office, but has nevertheless been able to maintain momentum on a number of projects significant to the Senate and its staff.

A general manual on Senate procedure and operation has been drafted, at the request of this office, by staff at the Library of Congress. The manual is now in the process of being edited by this office for later publication.

In conjunction with the preparation of the basic manual, the office is involved in the early planning stages for a major revision and update of Senate Procedure. This project is of a long-term nature, and a completion date has not yet been estimated.

This office continues to rely heavily on computer-supported services for its operation. The LEGIS rules file, into which this office enters its precedents, now has a bank of more than 500 Senate precedents spanning from July 1980 up to the present. The advantages of computer-basing the precedents are manifold: the precedents are readily available to all Senatorial offices, the information is easily researched by subject matter and date, and the technology allows for easy manipulation of the data for publication. The use of the GRID computer on the Senate floor continues to be of great value. The Parliamentarians are able to retrieve and quickly print precedents from the rules file for use in advising the Chair and Senators, and they are able to prepare language for the Presiding Officer when necessary.

The office continues to perform its routine responsibilities of advising the Chair, Senators, staff, and the public on procedural matters; referring introduced legislation, as well as legislation messaged from the House, to the appropriate committee; and referring executive communications submitted to the President of the Senate to the appropriate committee. In addition to the above-mentioned projects, the office also joined in meetings with the Secretary and visiting members of parliaments from foreign governments.

BILL CLERK

During the first session of the 99th Congress, the office of the Bill Clerk maintained the Senate's official records on over 4,200 pieces of legislation. This number is significantly lower than for the same period for the 98th Congress, due primarily to the far fewer number of amendments submitted in the Senate last year as compared with two year ago. A comparison of the statistics for 1983 and 1985 follows:

	98th Congress 1st Session	99th Congress 1st Session
Senate Bills	2,198	1,900
Senate Joint Resolutions	209	250
Senate Concurrent Resolutions	86	100
Senate Resolutions	302	270
House Bills	234	200
House Joint Resolutions	48	70
House Concurrent Resolutions	31	30
Amendments	2,666	1,400
	5,694	4,222

JOURNAL CLERK

In accordance with Constitutional requisites (Article I, Section 5), the office of the Journal Clerk functions as the official keeper of the Senate Journal. As such, the Journal Clerk is responsible for taking notes of the daily legislative proceedings of the Senate.

The preparation of the Senate Journal during calendar year 1985 continued in an orderly manner, utilizing the procedures which have been developed during the past nine years.

A greater amount of time than usual was expended on the compilation of various statistics at the request of several Members of the Senate.

Information provided included the amount of time spent on major measures, number of roll call votes, and number of proposed amendments, together with the disposition of each; compilation of the amount of time consumed by roll call votes, including the time used in excess of the 15 minutes allowed under the rule; the amount of time utilized by quorum calls, including a day-by-day analysis; and a summary of the number of roll call votes which occurred during each of the 24 one-hour periods in daily sessions of the Senate.

ENROLLING CLERK

Background

The Enrolling Clerk prepares for printing and proofreads all Senate-passed legislation prior to its transmittal to the House of Representatives or the White House.

Major Activities

All engrossed bills, enrolled bills, and resolutions were prepared, printed, corrected, and transmitted to the House of Representatives and/or the President within the time constraints dictated by the Congress and the legislation itself.

During 1985, 135 enrolled bills were prepared, printed, proofread, and corrected and transmitted to the President. Also, 760 other pieces of legislation, in one form or another, were enacted by the Senate; each one of these required some effort from this office. Most had to have copy preparation for the Government Printing Office, printed and read, and transmitted to the House of Representatives. Seventy-five pieces of legislation had to be assembled by the office and "hand engrossed," which entails typing and piecing together a true and accurate copy by hand immediately upon passage by the Senate, so that it can be transmitted to the House of Representatives immediately.

During 1985 approximately 10,000 to 12,000 entries to the index to the Senate Journal were compiled, checked and corrected, entered into a computer and printed in the Journal at the end of the Congress.

EXECUTIVE CLERK

Background

The Executive Clerk prepares the Executive Calendar which is printed daily and distributed to the Senate and an accurate record of actions taken by the Senate during executive sessions. All amendments, reservations, and understandings that relate to treaties are also maintained by this office.

The Senate treaty information program was activated for LEGIS users in November 1985, along with a user manual . All treaties still under consideration by the Senate are now included in this program, together with all other treaties received by the Senate from 1975 through 1985 (from the 94th through the 99th Congresses). As time permits, this treaty file will be expanded, and eventually will include treaty history for each year since 1944, when the last comprehensive State Department publication of Treaties Submitted to the Senate was published.

Treaty information entered into this file has been indexed by country, subject, type and related documents. Treaty details retrievable include short title, long title, text of recommended or approved resolutions of advice and consent to ratification, and in the case of older treaties date entered into force and the TIAS document number, which will help offices in ordering treaties which are no longer available from this office or the Senate Document Room. Treaty history and the current status of treaties in the Senate are thus readily available from the computer files.

Further access to the information files developed by this office in relation to the executive business of the Senate (nominations and treaties) is being considered at this time, the principal improvement in information access being the possibility of LEGIS users accessing the Executive Journal on a day-to-day basis or for any specific date. This would allow a quick and accurate review of any Senate actions in relation to nominations or treaties without having to refer to the Congressional Record and search through much extraneous material .

During the first session of the 99th Congress, a total of 821 nominating messages with 59,642 individual nominations (605 civilians, 3,113 included in civilian lists, and 55,924 officers in the armed services) were transmitted to the Senate by the President.

Twelve new treaties were transmitted to the Senate by the President during this session and printed as treaty documents for the use of the Senate, and the Senate completed action on seven pending treaties which were returned to the President with resolutions of advice and consent to ratification. Ten executive reports (two relating to nominations and eight relating to treaties) were ordered printed for the use of the Senate during this session.

DAILY DIGEST

Background

The Office of the Daily Digest renders a brief, concise and easy-to-read accounting of all official actions taken by the Senate in the Congressional Record section: the Daily Digest. This office provides an accounting of all Chamber actions and meetings of Senate committees, subcommittees, joint committees, and committees of conference, as well as a schedule of such meetings for the upcoming day. At the end of each month, this office prepares a "Resume of Congressional Activity" published in the Congressional Record. At the end of each session of Congress, a history of public bills enacted into law and a final resume of statistical activity is similarly published in the Record.

Major Activities

The Senate was in session a total of 165 days, for a total of 1,211 hours and 25 minutes. There were 20 quorum calls and 376 record votes. Senate committees held 1,162 hearings and 280 business meetings, for a total of 1,442, contrasted with 1,156 hearings and 354 meetings (total 1,510) during the 1st session of the 98th Congress.

All hearings and business meetings are scheduled through the Daily Digest office and published in the Congressional Record and entered into the LEGIS hearings file. Meeting outcomes are also published by the Senate Daily Digest in the Record each day. An additional function of the office is to compile statistics relating to both committees and Chamber activities.

OFFICE OF PRINTING SERVICES

Major Activities

Costs to the Senate have decreased in four categories of printing by as much as 30 percent. During the first session of the 99th Congress, 11 Senate publications, 20 Senate documents, 109 committee prints, and 321 hearings were printed as compared to the first session of the 98th Congress when 16 Senate publications, 20 Senate documents, 127 committee prints and 456 hearings were printed.

The office undertook a study in conjunction with the Joint Committee on Printing in order to improve the printing turnaround time at the Government Printing Office plant. The study revealed that approximately 70 percent of composition for hearings is delivered two weeks later than scheduled and impacts committee schedules accordingly. We have alerted GPO to the seriousness of this situation.

Another study related to paper quality. The Service Department was experiencing major problems with the roll paper used to produce newsletters. As a result of these efforts, 1,497 rolls of paper (44,910,000 sheets) were replaced at no cost to the Senate.

In 1985 the office began providing the Service Department pertinent information on paper quantities ordered by Senators and committees necessary to comply with certain provisions of the regulations governing mass mailings.

OFFICIAL REPORTERS OF DEBATES

Major Activities

The Official Reporters of Debates continue to report all sessions of the Senate. The transcript is ready for review by Senators and aides 45 to 60 minutes after a Senator has spoken in the Chamber. In addition, staff report all Democratic and some Republican Conferences. These transcripts are prepared and delivered within three to four hours after the conclusion of the conference.

All original shorthand notes of debates and proceedings in the Chamber through August 1985 have been shipped for storage in the Senate warehouse in Alexandria, Virginia. These notes are retained until the bound *Record* is published by the Government Printing Office, and at the present time, the printing of the bound *Record* is approximately four years behind the printing of the daily *Record*.

DISBURSING OFFICE

Major Activities

Pursuant to P. L. 98-615, the Civil Service Retirement Spouse Equity Act of 1984, all retirement and insurance counselors had to receive special training as the new law changes CSR survivor annuity elections, refund elections and processing, health benefits registration and records maintenance. Also, as the Office of Personnel Management has not to date published or distributed new forms to handle the additional information, this office has had to prepare and use forms created in-house.

The Benefits and Payroll Sections coordinated and administered a Federal Employees' Group Life Insurance Open Enrollment Period during June, only the fourth such opportunity for employees in 31 years. This provided an opportunity for all Senate Members and employees to alter their life insurance coverage in any manner they wished, not subject to the usual regulations and restrictions.

As the Office of Personnel Management has not published a new booklet describing the current benefits and costs of the FEGLI program, the information regarding costs in the only available booklet is outdated by over two years, and even the outdated booklets have not been available since May 1985. Consequently, this office has had to design an addendum to the booklet to provide our employees current, accurate information.

The retirement case load (including disability and death cases) increased again last year, by over 50 percent over the 1984 total . In addition, constant study and review of the progress of the new Civil Service Pension legislation has been required during all of 1985, as retirement counseling for employees of all ages and preparation for implementation of the new system is a major concern for the Benefits Section. As passed, it means that instead of the one retirement system which existed from July 13, 1937 until December 31, 1983, the Benefits Section will be administering three major retirement programs effective January 1, 1986.

Pursuant to revised regulations covering mass mailings by the Committee on Rules and Administration, the disclosure of the volume and costs of mass mailings for each individual Senator was included in the Report of the Secretary of the Senate (July 31-September 1, 1985)

With the enactment of S. Res. 85, agreed to February 28, 1985, the Disbursing Office worked with the Committee on Rules and Administration on the new procedure of not charging agency contributions to individual committees. This procedure also necessitated new reporting requirements and additional programming from the Payroll System.

The Disbursing Office assisted the Sergeant at Arms with the verification of Senate employees for the office automation computer systems as a result of several meetings with representatives of the Committee on Rules and Administration, the Senate Computer Center, and the Disbursing Office.

In addition the Disbursing Office processed 41,500 vouchers to the Committee on Rules and Administration, including one month in which 4,100 vouchers were processed (May 1985).

Beginning with fiscal year 1985, the Clerk-Hire Allowance Reports were modified to reflect the end of the one-twelfth monthly allowance limitation. The monthly Reports are issued to reflect expenditures to date, and a projected end of fiscal year balance. Administrative offices were also modified to reflect a 25 percent expenditure limitation for the first three months of the fiscal year.

In September 1985, the Electronic Funds Transfer (EFT) Process was initiated by sending 1,100 financial institutions verification letters for the correction of account numbers of Senate employees. The responses required many hours of data input to properly reflect employee account numbers and bank transit numbers to meet Federal Reserve requirements for EFT. We have encouraged all employees to take advantage of this service as it expedites the actual receipt of bank deposits.

A pre-notification letter and a live transmittal with a zero dollar amount for all Senate Members and employees was processed to verify the accuracy of the EFT program. The November 20, 1985 payday was the first Senate payday processed under EFT. Of 4,653 payments made by EFT, only five were rejected.

Considerable progress has been made on the development of the ISI replacement Payroll/Personnel System in the past year. Each completed prototype Subsystem that has been delivered to date by the Senate Computer Center staff has undergone initial reviews within the Disbursing Office and will continue to be studied prior to their final implementation. Two additional Subsystems are currently being developed, Office Allowance Controls and Payroll History, both of which will significantly enhance the ISI capabilities.

OFFICE OF THE SECRETARY

	FISCAL YEAR 1986	FISCAL YEAR 1987	INCREASE/DECREASE
SALARIES, OFFICE OF THE SECRETARY			
Fiscal Year 1986 Obligations	$6,654,000		
Total Obligations for Fiscal Year 1986	$6,654,000		
Fiscal Year 1987 Base Program		$6,986,714	
Financing:			
Less: Unobligated balance, start of period	-0-	-0-	-0-
Appropriation	$6,654,013	$6,986,714	$+332,714*

EXPENSES, OFFICE OF THE SECRETARY

	Original 1986 Appropriation	1986 Approp. After Sequestration	1987 Budget Request	Increase/ Decrease
Historical Office:				
Books and Documents	$ 2,000	$ 1,914	$ 1,914	$ -0-
Photographic Supplies	6,500	6,221	6,221	-0-
Library:				
Online Information Services	49,000	46,893	50,393	+ 3,500
Microform Publications	20,000	19,140	19,140	-0-
Books	9,000	8,613	8,613	-0-
Subscriptions	13,000	12,441	12,441	-0-
Standing Orders	10,000	9,570	12,570	+ 3,000
Office of Classified National Security Information: Maintenance contract for alarm system	4,000	3,828	3,828	-0-
Travel (Public Law 94-59)	12,000	11,484	11,484	-0-
Registration Fees	2,000	1,914	1,914	-0-
Substitute Reporters and Transcribers (Public Law 89-90)	20,000	19,140	19,140	-0-
Office of Public Records (Public Law 92-342)	25,000	23,925	23,925	-0-
Consultants (not more than two) (Public Law 95-26)	46,500	44,501	44,501	-0-
Legal Reference Volumes and Dictionaries (Senators' Offices) (Public Law 92-51)	65,000	62,205	62,205	-0-
Contractual Legal and Administrative Services and Miscellaneous Expenses	60,500	57,899	57,899	-0-
Disbursing Office: Payroll Forms, Notary Fees and Supplies, Insurance	30,300	28,997	28,997	-0-
Orientation and Training (Public Law 95-94)	2,000	1,914	1,914	-0-
Newspapers	30,000	28,710	28,710	-0-
Senate Service Awards (Senate Resolution 21, Sept. 10, 1965)	18,000	17,226	17,226	-0-
Postage	7,000	6,699	6,699	-0-
Education of Senate Pages (Public Law 98-51, as amended and S. Res. 184, July 29, 1983 and P.L. 98-125)	200,000	191,400	196,400	+ 5,000
Stationery	29,000	28,155	28,155	-0-
Commission on Art and Antiquities (S. Res. 382, 90th Congress)	23,000	22,011	22,011	-0-
Total Obligations	$ 683,800	$ 654,800	$ 666,300	$+ 11,500
Financing:				
Less: Unobligated balance, start of period	-0-	-0-	-0-	-0-
Appropriation	$ 683,800	$ 654,800	$ 666,300	$+ 11,500

SUMMARY OF APPROPRIATIONS REQUESTED

Salaries (salaries, officers, and employees)	$6,654,000	$6,986,714	$+ 332,714
Expenses	654,800	666,300	+ 11,500
Total Obligations	$7,308,800	$7,653,014	$+ 344,214
Total Financing			
Less Unobligated balance, start of period	-0-	-0-	-0-
TOTAL APPROPRIATION	$7,308,800	$7,653,014	$+ 344,214

*Increase for new positions, proposed salary increases, etc.

Senator D'Amato. Thank you very much. I see our chairman is here, Chairman Hatfield.

Mr. Chairman, did you have any questions?

Senator Hatfield. No; thank you.

OFFICIAL MAIL

Senator D'Amato. Jo-Anne, let me ask you, what steps will be taken to enforce the Rules Committee's allocation ceiling for each office where official mail is concerned? For example, will you refuse delivery if an allocation is exceeded?

Mrs. Coe. Mr. Chairman, I believe that question more appropriately lies within the jurisdiction of the Senate Sergeant-at-Arms although, of course, the Secretary's Office is involved to the extent that we are required by public law now to publish the volume and cost for mass mailing.

Senator D'Amato. There was considerable consternation at the beginning of the year concerning the impact of the sequestration order for March 1, and you have testified with respect to a 4.3-percent overall reduction.

What level of compliance have you seen concerning that? And, have you seen any reduction in personnel as a result of it?

Mrs. Coe. Mr. Chairman, yes; there has been across-the-board compliance with the sequestration order.

There have, in some cases, been reductions in salary and staff numbers. Many of the offices implemented the sequestration by not filling existing vacancies or temporarily furloughing some employees.

I would like to take this opportunity, if I might, to submit to the committee's consideration a few suggestions that I have. From the administrative and budgetary standpoint, we felt it would be very advantageous for the two different office accounts that each Member has available to him to be funded in the same manner; that is, on a fiscal year basis.

As you know, one account now is on a calendar basis and the other is on a fiscal year basis. This would enable Senators, in my view, to project more accurately what their own budgetary needs might be and to determine if any transfer of funds amongst the accounts might be necessary to meet those requirements.

Although Senators may now transfer those funds from one account to the other, we would also like to recommend that the committee consider the possibility of combining the two accounts into one account so that each Senator has only that one appropriation account to be concerned with. And this would enable him greater flexibility and provide him the opportunity to manage his office as a businessman does.

My Office would be more than happy to assist in this.

Senator D'Amato. We will certainly look into that and see what, if anything, can be done.

And, I would ask Mr. Kennedy to make a note of that.

PREPARED STATEMENT

Staff has received a statement for the record from Stuart F. Balderson, Financial Clerk of the Senate. Without objection, it will be inserted at this point in the record.

[The statement follows:]

STATEMENT OF STUART F. BALDERSON, FINANCIAL CLERK OF THE SENATE

Mr. Chairman, I appreciate this opportunity to appear before your committee today to testify regarding the budget for the U.S. Senate for fiscal year 1987.

Mr. Chairman, before proceeding to the 1987 budget, I would like to address the supplemental requests for fiscal year 1986. Supplemental requests totaling $10,105,000, exclusively for program supplemental requests, include additional funds for three appropriation accounts. The supplemental request for the appropriation "Salaries, officers and employees" provides additional funds for several line items.

The first line item, "Administrative, clerical, and legislative assistance to Senators," due to changes in population for the States of Alabama and Florida, in the amount of $243,000. An administrative provision has been included in the Urgent Supplemental Appropriations Act, 1986 to include the States of Alabama and Florida in their next respective higher population category. The second line item, "Offices of the secretaries of the conference of the majority and the conference of the minority" in the amount of $80,000. The third line item, "Agency contributions" in the amount of $32,000. An additional $650,000 has been requested for the appropriation "Miscellaneous items" to fund the Senate Observer Group, as authorized by Senate Resolution 86, as amended, agreed to February 28, 1985.

Finally, the program supplemental requests include additional funding for the appropriation "Sergeant-at-Arms and Doorkeeper of the Senate" for $9,100,000, for it's Telecommunication Department. In addition to the $10,105,000 program supplemental request, the pending Urgent Supplemental Appropriations Act, 1986, contains $500,000 for the appropriation "Salaries, officers and employees," for the line item "Office of the Sergeant-at-Arms and Doorkeeper." Since the supplemental requests have been incorporated into the budget estimates for fiscal year 1987, I am, therefore, considering these requests as being enacted only for the purpose of my presentation to your committee.

The budget estimates for the U.S. Senate for fiscal year 1987, as reflected in the budget of the U.S. Government, fiscal year 1987, including budget amendments, as authorized by your committee, and as presented today, totals $306,640,800 and is an increase of $14,333,000, or 4.9 percent, over the fiscal year 1986 total of $292,307,800, excluding $500,000 included in the Urgent Supplemental Appropriations Act, 1986. These estimates are comprised of $301,940,800 for Senate items and $4,700,000 for joint items of the Senate.

The budget estimates, as submitted, reflect changes in compensation, allowances, and expenses, and has been developed in accordance with requests and proposals submitted by the various functions of the Senate.

The budget estimate, therefore, is submitted for the consideration of your committee.

SUBMITTED QUESTIONS

Senator D'AMATO. Finally, we have a number of other questions, ma'am, which we will submit to you for the record.

Mrs. COE. Yes, indeed.

Senator D'AMATO. Thank you for your testimony.

Mrs. COE. Thank you

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

QUESTION: How will your office fare if the Gramm-Rudman-Hollings legislation is upheld and an additional cut is mandated for the year beginning October 1, 1986?

ANSWER: The budget estimate for the Office of the Secretary of the Senate for FY 1987 totals $344,214.00 over the total funds authorized to my office for fiscal year 1986, inclusive of the 4.3 percent sequestration. At the present time, it is unclear what additional cut, if any, may be mandated for fiscal year 1987. However, if the percentage is such to reduce my total authorization for fiscal year 1987 below the fiscal year 1986 level, it would be very difficult for the Office of the Secretary to provide services at present levels. For example, any loss of personnel from the Senate Disbursing Office in light of a new retirement system going into effect on January 1, 1987, will cripple that operation. The same is true of our offices whose functions revolve around the Senate floor.

As I stated in my testimony before your Committee, the cost of services provided by outside commercial vendors are increasing and we do not have any control over these items. In addition, a large sequestration in 1987 may require a reduction in my office staffing levels or prohibit me from authorizing long overdue merit increases for staff that had their salaries frozen in FY 1986.

QUESTION: How would your office implement such a cut Senate-wide?

ANSWER: We would employ the same practice as we employed this spring. The Disbursing Office would notify each office of the impending reduction. Individual offices would then use their own discretion in determining the actual source of the cuts.

QUESTION: What would be your reaction if the Appropriations Committee should decide to estimate the amount to be unobligated at the end of fiscal year 1987 and cut that amount from the FY 1987 Appropriation Act?

ANSWER: Our reaction would be to carry out whatever directive we receive relative to reductions that the Committee deems appropriate. Over the years, unobligated balances have existed due to the frugality of many of the offices. Unfortunately, many of the offices are dependent upon the assistance of outside services and vendors and, hence, rates that we are unable to control. Estimates are difficult to calculate based upon fluctuating market conditions. Nevertheless, we have and will continue to operate as best we can based on actual costs, realizing that reductions resulting from such a decision will very likely also have an adverse effect on the quantity and quality of services provided.

QUESTION: There are news accounts that the Chief Justice will be stepping down from the Supreme Court and will be devoting much of his time heading up the commemoration of the Bicentennial of the Constitution. Give me a little background on this, and tell me about the involvement of the Office of the Secretary in this effort.

ANSWER: Chief Justice Warren Burger has been Chairman of the Commission on the Bicentennial of the U. S. Constitution since last year. The commemorative commission was established by Congress in 1983 to inform the public about the Constitution and its historical significance.

Two offices within the Office of the Secretary—the Curator of Art and Antiquities and the Historian—have established relations with the Presidential Commission on the Bicentennial of the United States Constitution. Both offices are working with historical organizations, the Library of Congress, and the National Archives to plan programs appropriate to broadening scholarly and popular understanding of the Senate's history and traditions. Two specific bicentennial publication activities of the Historical Office are the Biographical Directory of the United States Congress and the Guide to Senate Records at the National Archives.

I should also mention that both of these offices are immersed in preparations for the observation of the Senate's 200th anniversary. The Study Group of the United States Bicentenary, composed of current and former Members, the Librarian of Congress, the Archivist of the United States, and distinguished constitutional scholars, issued a report in 1982 that serves as a blueprint for planning this unique commemoration.

QUESTION: What is the composition of the Senate Management Board and what types of issues are discussed at the Board? Should the Appropriations Committee have representation on the Board. It appears there is only one minority staffer on this Board. Is this a fair representation in a Senate consisting of 47 Democratic Members and 53 Republican Members?

ANSWER: Originally in 1978, the Senate Management Board consisted only of the Secretary, Sergeant at Arms and Architect of the Capitol under the direction of Senate Majority Leader Robert Byrd and Minority Leader Howard Baker. It was only with Republican control, that in 1981, minority staffers were included. Regardless of its composition, the Board has always and will continue to operate in a non-partisan fashion. The Board is composed of the Secretary, Sergeant at Arms, Secretary for the Majority, Secretary for the Minority, Architect of the Capitol, Staff Director of the Committee on Rules and Administration, and Staff Director of the Committee on Appropriations.

Since my last report to you, the Senate Management Board has met to consider two major issues of concern, as well as additional matters of less urgent concern. In January, the Board met to discuss the impact of Gramm-Rudman-Hollings on the Senate. All members of the Management Board were present. Because of the subject matter, also present was the Senate Financial Clerk. As a result of this discussion, the Board submitted specific recommendations for consideration by the Senate leadership on how the Senate might implement the provisions of Gramm-Rudman-Hollings and OMB's directive on dollars to be sequestered from the Legislative Branch Fiscal Year 1986 budget authority. The decision was made to recommend to the leadership that the sequestration be applied across-the-board to every appropriation account.

Another topic considered by the Board later in the year was Senate pages. The Management Board considers Senate pages a matter of ongoing concern. For this reason, Board members continually evaluate the progress of the Senate Page School system as well as the health and general welfare of the pages. Through the exchange of information and ideas, the Board has been able to address potential problems before they have occurred. Specifically, it had been reported that the House Page Board would like to reunite the House and Senate Page Schools under one roof, but that it would be their recommendation to contract for the pages' education with a private concern. Members of the Management Board agreed the Senate should continue under the D. C. Public Schools. Accordingly, as Chairman of the

Management Board, I have asked the Chairman of the House Page Board for specifics on his recommendation, but that information has not yet been received.

In addition, topics considered by the Board have been the new telephone system, need for legislative controls over the Office of the Attending Physician, renovation of the Senate Library, assignment of elevator operators as well as minor housekeeping matters.

QUESTION: What is your office doing to help offset the costs of its operation? For example, are documents being sold to the public now?

ANSWER: The Senate Document Room, with the assistance of employees detailed from the Government Printing Office, is currently selling documents for the first time in Senate history. While the public is entitled to one free copy of each bill, additional copies do require payment. Any money accrued as a result of the sale of documents helps to offset the costs of the Government Printing Office.

This office has been able to reduce its budget through a policy of strict scrutiny that is applied each time a request is made that requires an expenditure. We have found that practical, albeit small, changes often add up to significant savings. For example, bills that are placed on Members' desks on the Senate floor are now collected at the end of each day and returned to the Document Room where they are examined and recycled. Newspapers delivered by this office on a daily basis have been methodically reduced without raising renewed requests for deliveries. A change in our vendor for the Senate Pin Program has resulted in a significant savings in this area. However small, cost savings, such as those cited above, are encouraged at every level.

QUESTION: Your testimony indicates that you have expanded the Office of Interparliamentary Services. Would you provide a breakdown of the budget of that office now and compare it to the office at its inception four-and-a-half years ago?

ANSWER: In January 1982, the Office of Interparliamentary Services had an annual allowance of $157,200. In January 1986, the office was allotted $148,335. Hence, the office is operating at approximately $9,000 less than at its inception, but with a staff that is twice as large as it was when first established.

QUESTION: My office has received notification that frequent staff travelers will be issued a Diners Club charge card. What is this all about? Does Diners Club or Citicorp benefit from this? Please explain. I have heard complaints that the Citicorp Diners Club Card is not widely accepted in rural areas. Does this whole process complicate or simplify the process of reimbursement for travel?

ANSWER: On May 5, 1986, the Committee on Rules and Administration notified all Members by letter that it had approved the use of the Citicorp Diners Club government card for U. S. Senate staff who are paid by the Secretary of the Senate and are considered "frequent travelers" (two or more official business trips per year). The Disbursing Office then implemented the procedures necessary to administer the program, which included computer program modifications.

The benefits to the traveler include no membership, interest or late payment fees; no initial credit check (which expedites issuance of the cards); no spending limits; and free travel accident and lost baggage insurances.

Agency benefits not included above are automatic discount air fares and no agency liability for charges incurred. Citicorp Diners Club would derive income only from the Vendor Discount Fees, which range from approximately 2 to 4 percent.

To date, the Disbursing Office has received no complaints regarding non-acceptance of the cards, and although very rural areas may not accept credit cards, an estimated 99 percent of the hotels/motels offering the federal government discount rate not only accept the card for payment, but also for guaranteed late arrival fees and check cashing privileges. Also, if Senate staff frequently use an establishment which does not honor the card, a form, which is available in the Disbursing Office, can be completed and Citicorp will solicit its acceptance of the card.

As the program is only two months old and has seen only limited use, the benefits actually derived from the program have not been determined.

QUESTION: What possible justification could there be for a Senate flag? Are we going to march in a parade?

ANSWER: Senate Resolution 369 passed on April 12, 1984, authorizes and directs the Secretary of the Senate to design an official Senate flag utilizing the Seal of the Senate as the principal symbol. The Resolution further provides that the Senate flag would be available for purchase and use by Senators and former Senators only, who would be allowed to purchase no more than two flags, subject to replacement for loss, destruction, or wear and tear. The flag could not be utilized or displayed for commercial purposes.

The Secretary was further directed to seek bids from six firms who would compete in submitting a design for the flag. The Secretary would then present the designs to the Rules Committee for final decision. Bids for the flag design were sought from eight vendors; six were received between May 20th and July 30, 1985. The Rules Committee has been notified that the design proposals are available for their consideration at any time the Committee determines it wishes to pursue this matter further.

QUESTION: What preservation work to deteriorating Senate records will cost $300,000? Is that figure a total for a multi-year contract, or is this one year money? Who does the actual preservation work?

ANSWER: Pursuant to P. L. 97-257, signed on September 10, 1982, the Congress appropriated $600,000 to be equally divided for the preservation of Senate and House historical records.

This is a one-time appropriation with completion of the project scheduled for the bicentennial of the Congress in 1989. The conservation laboratory at the National Archives is responsible for the preservation work.

Last year, emphasis was placed on reboxing the "Accompanying Papers" series of Senate records (papers accompanying specific bills and resolutions) for the 70th-79th Congresses (about 1,600 boxes). Records were placed in new acid-free folders. All unbound bills, executive communications, and committee records for the 23rd-25th Congresses (1833-1839) were unfolded, flattened, and refoldered appropriately. As this work was being done, documents needing laboratory repair were removed and taken for professional conservation work by the Document Conservation Branch. Approximately 200 Senate original documents received laboratory conservation treatment and were returned to the custody of the Legislative Archives Division during the year.

QUESTION: What new products have been added to the inventory as a result of last year's survey?

ANSWER: The Stationery Room has increased its available inventory. Computer-related merchandise such as ribbons, thimbles, printwheels, glare screens, discs and disc storage files comprise the largest proportion of new merchandise. Surveys sent to all Senate offices (72 were returned) indicated a need for additional gift items. We reacted to the extent that we could in terms of available space. We added two books—Washington Representatives and Walking Tours of Old Alexandria, brass photo albums, two pocket presentation portfolios, coffee mugs with the Senate Seal, additional Fostoria items, tie bar and cuff link sets and a number of pewter items. Unfortunately, we simply do not have the space to accommodate additional inventory items.

QUESTION: Your Office of Printing Services, in conjunction with the Joint Committee on Printing, concluded that approximately 70 percent of hearings are two weeks late in their delivery from GPO. According to your statement, you have informed GPO of the "seriousness of this situation." What, if anything, have they done about it?

ANSWER: As a result of the study undertaken by the Secretary's Office and the Joint Committee on Printing, and based upon subsequent discussions with the Government Printing Office, we determined that the backlog of hearings could be eliminated by contracting out to the private sector work beyond GPO's capability to process in a timely manner.

After establishing various production guidelines designed to trigger outside purchase upon reaching in-plant limits, GPO has virtually eliminated this backlog. We expect no future problems in this area.

QUESTION: What is the Senate planning to do, if anything, to memorialize the loss of the Challenger space shuttle?

ANSWER: The Senate Commission on Art and Antiquities, acting on a request from the Chairman and Vice Chairman of that Commission (the Majority and Democratic Leaders), intends to acquire and locate in the Brumidi corridor of the Senate wing of the Capitol a mural in honor of the crew members of the space shuttle Challenger. The Senate Commission and its authority to accept works of art for placement in the Capitol was established by S. Res. 382 of the 90th Congress (114 Congressional Record 28955, 1968). In keeping with guidelines established by the Commission on Art and Antiquities for the addition of works of art by the Senate, an advisory panel was named to consider the qualifications of the many artists who had expressed interest in painting the mural. The panel, which is made up of the Secretary of the Senate (Executive Secretary of the Commission on Art and Antiquities), the Architect of the Capitol, and three museum officials of the Smithsonian Institution and NASA, met on July 9, 1986 to review and evaluate the work of 28 artists which had been submitted for consideration.

After lengthy deliberation, the panel selected three artists for recommendation to the Commission on Art and Antiquities. These finalists presently are being invited to submit detailed proposals outlining their conception of the mural, after which, the Commission on Art and Antiquities, in consultation with the advisory panel, will make its final selection. It is hoped that the work will be completed and in place for the anniversary of the tragedy.

QUESTION: It seems to me that the Disbursing Office has been working on a new payroll system for at least three years. What could possibly take so long on a project that should be accomplished in a matter of weeks. Is it because we are relying on the Senate Computer Center?

ANSWER: The new Senate Payroll and Personnel System has experienced delay in its implementation. Unfortunately, many impediments have developed as the project has gone from its initial to its concluding stages. Part of the delay has resulted from an inability to secure a system that will accommodate the unique characteristics of a Senate Payroll System; yet that delay has contributed to an overall better product than we would have secured had we implemented a timely system that did not have the desired capabilities.

Currently we are planning to begin using the new system by February 1987 for a test period of two months. By April the system will be operational. All parties involved with this project are aware of the April 1987 deadline.

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

STATEMENT OF HON. ERNEST E. GARCIA, SERGEANT AT ARMS, U.S. SENATE

ACCOMPANIED BY ROBERT HOWE, INSPECTOR, CAPITOL POLICE

STATEMENT PRESENTED

Senator D'AMATO. The Sergeant at Arms is our next witness.

Ernie, how are you? You may proceed.

Mr. GARCIA. Mr. Chairman, I have a statement that describes the organization of the Office of the Sergeant at Arms.

Senator D'AMATO. Fine.

Mr. GARCIA. Mr. Chairman and members of the committee, I am pleased to meet with you today to discuss the activities of the Office of the Sergeant at Arms.

This is my first appearance before you as the Sergeant at Arms, and it culminates a little over a year in this position, a year which has been very demanding but which has offered many rewards as well.

In this regard, I would like to thank the committee for its invaluable guidance and support during this past year.

Before I discuss the particulars of our fiscal year 1987 appropriation request, I would like to briefly discuss some of the changes which have occurred in the past year.

CHANGES INSTITUTED

First and foremost, this Office has initiated an ongoing process in which the functions, positions, and services are being closely examined for the purpose of achieving maximum efficiency and cost savings. This process to date has resulted in several departmental reorganizations and changes in the directorates thereof where warranted by the new direction we are pursuing.

The new direction to which I am referring is born partially out of necessity due to fiscal restraints, as well as the need for commonsense application of sound management and business principles.

Very briefly I would like to highlight some of the focal points of our review process.

Last year, Mr. Chairman, this committee recommended that we consolidate our procurement and budget functions. I can now report to you and the committee that the functions of personnel, budget, and procurement have been centralized and are now administered through my executive office.

The elimination of administrative autonomy in our departments has provided many economies, efficiencies and improvements in service delivery. I would like to cite some brief examples of these changes and their impact:

(1) The elimination of duplicative and excessive administrative positions; (2) the uniform administrative policies and procedures; (3) pooling and sharing the resources; (4) the reduction in management layers without decrease in service; (5) and widespread competitive procurements.

A vivid example of the direct change in overall operations can be offered. It was brought to our attention in the course of our monthly computer user group meetings that printers in Senators' offices were dirty and often left idle for lack of proper cleaning.

Maintenance contracts for this purpose were prohibitively expensive, thus offices were left to their own resources or at the mercy of the three office automation vendors. By utilizing the Service Department typewriter maintenance personnel for this purpose, the backlog of complaints was resolved in 3 weeks at no additional cost to the Senate.

In short, our emphasis is in getting the job done by whatever means are available. As a result, I am compelled to tell you that, overall, morale has increased, despite an internal pay freeze that is nearly a year in duration.

"WORKER BEES" EXTOLLED

The "worker-bees," what I call the doers, have been elevated to their proper station of importance in our organization.

Mr. Chairman, and members of the committee, I would be remiss in not informing this committee that the response and resultant performance of the majority of our employees in the face of our numerous organizational and administrative changes, not withstanding fiscal restraints, has been, in my opinion, outstanding.

CENTRALIZATION OF PROCUREMENT FUNCTION

The organizational changes are beginning to reflect a positive impact on the expense appropriation. Centralization of the procurement function has resulted in widespread competition and cost savings at all levels.

I am pleased to report that many of the procurement weaknesses cited by GAO in their review 1 year ago have been remedied through the addition of a procurement officer who has implemented procedures to assign accountability and assure control.

In addition, centralization has also provided for an ongoing evaluation of the most efficient means of providing for goods and services, as well as the ability to validate legitimate requirements and verify the quantities necessary.

The ongoing reapplication of our resources has not been undertaken lightly, Mr. Chairman, and its implementation has required some very difficult decisions regarding personnel. I would like to assure the committee that every effort has been, and continues to be made, to minimize the impact on personnel who are affected through these very difficult, but necessary, actions.

As we all know, changes are always difficult, and those effected in the past year have not been without criticism. I will continue to measure our progress, however, Mr. Chairman, by results.

To date, we are increasing or maintaining levels of service with fewer employees. I believe that much progress has been made, but there is room for improvement. For this reason, we will continue to examine all facets of the organization with the goal of providing increased user access and removing administrative and systematic barriers to the delivery of services.

TECHNOLOGICAL ASSESSMENT

To this end, Mr. Chairman, another aspect of our ongoing review is that of technological assessment. I believe that if we are to keep up with the demand for additional services to the Senate, we need to achieve a better balance in our investments in personnel and technology.

A specific example can be cited in the operations of our Senate Computer Center. A review of the organization revealed that the supervisory ratio in the largest division was 1 to 3, in contrast with the industry standard of 1 to 17.

While the new management in the center has increased this ratio to 1 to 7, we expect to continue the reduction of managerial layers through the pursuit of new technology.

This philosophy is reflected throughout the budget request before you, Mr. Chairman. It should be noted, however, that a large portion of our expenditures for hardware are a direct result of office automation contractual agreements, some of which are 3 years in duration and thus, beyond the administrative control of this Office.

By taking advantage of existing and future technology with the added benefit of depreciating costs, and avoiding the inflationary costs of additional personnel, we will continue to increase service while controlling costs.

I would now like to briefly discuss some of the major issues contained in our current request.

MAJOR ISSUES

Telecommunications: Procurement of the PBX switch.—As you are aware, the Committee on Rules and Administration recently awarded a contract for the procurement of the PBX switch—private branch exchange switch

Our original pending estimate provided for the committee was $9.1 million on October 1, 1984. It appears now that this procurement will total $11.1 million, an increase of $2 million.

As a result of the delay in this procurement, we have and continue to incur costs for monthly telephone service well beyond the time that the previous budget estimates had presumed. In addition, several rate increases have been effected during this timeframe.

It is, therefore, necessary that an additional supplemental appropriation in the amount of $3,270,000 be requested.

Funding and positions are requested in fiscal year 1987 for a number of new initiatives of the U.S. Capitol Force.

Security enhancement proposal.—Security enhancement measures developed jointly by the House and Senate whips include the requirement for 87 additional Capitol Police personnel to staff newly created security posts and increase the explosive detection capability of the police canine corps.

Fifty-six of the total positions required are for the Senate portion of the joint Senate operations, or are specifically earmarked for new security measures in the Senate Office Buildings.

Funding is also requested in the amount of $790,000 to provide personnel necessary to staff new requirements created by modernization of what we call the closed circuit television [CCTV] and electronic intrusion detection systems. In the aftermath of the 1983 bombing in the Senate wing of the Capitol, approximately $2 million was appropriated to the Architect of the Capitol, Mr. White, for expansion and upgrading of electronic security systems.

According to a consultant's study, 73 additional police personnel will be required to staff the new system which is scheduled to be completed and on line during fiscal year 1987. Since this is a joint House/Senate operation, the Senate's portion would be approximately one-half of the total number required, or 37 positions.

Protective services.—We are planning the establishment of four protection teams to be utilized for providing close personal security for threatened Members of Congress, visiting dignitaries, and congressional functions in the surrounding area and other parts of the country.

Personal protection demands have increased, Mr. Chairman, steadily in recent years due to threats of violence from both domestic and international sources. The Capitol Police have singular responsibility for protection of Members of Congress.

Heretofore, personnel needed for protection assignments were obtained by stripping manpower from security assignments in and around the House and Senate Chambers. This practice not only jeopardizes the security of these two key locations, but prevents the Capitol Police from correctly staffing vital protective assignments to the proper level and inhibits the systematic development of the personal protection function.

A total of 25 additional personnel are needed to correctly staff this joint House/Senate operation, 13 of which have been earmarked for assignment to the Senate payroll.

Pay increase proposal.—Salary increase for Capitol Police personnel in the rank of lieutenant and below to bring salary levels up to par with other law enforcement agencies and to curb the high rate of attrition. The Capitol Police attrition rate has jumped, Mr. Chairman, from 4.4 percent in 1982 to a current rate of 18 percent.

Exit interviews indicate that the most significant factor contributing to this dramatic turnover increase is a lack of pay parity with other law enforcement agencies. A study of nine law enforcement agencies in the metropolitan area revealed that Capitol Police privates have the lowest starting salary, are ranked seventh after 5 years of service, and fall back and remain the lowest paid after 10, 15, and 20 years of service.

Our best officers, the newly trained, young and fit, are being recruited out from under our noses by other Federal agencies and local departments who offer higher pay and better benefits.

In summary, Mr. Chairman, the overall salary request for fiscal year 1987 is $43,602,000. And, Mr. Chairman and members of the committee, while I have made every effort to limit the increase in personnel positions, a number of new program initiatives will require additional staffing.

We are requesting 15 new positions for television coverage of Senate proceedings, 13 positions for the administration of the new PBX systems, and 106 new positions for security improvements associated with the U.S. Capitol Police.

These additions, Mr. Chairman, are partially offset by the reduction of 56 positions eliminated in the Service Department and Senate Computer Center. Our request reflects a net increase of 78 positions.

The overall increase will also allow for overtime payments and protective details, as well as pay increases proposed for the Capitol Police. The amount will also allow for modest merit increases for employees, most of which have not received any increases in over a year.

NET REDUCTION

Our overall expense request of $64,620,000 represents a reduction of $6,131,000 from the total amounts appropriated and requested via supplementals in fiscal year 1986. The figure represents a net reduction and can be partially attributed to the elimination of amounts requested in fiscal year 1986 for large nonrecurring procurements.

The amount of this reduction has been offset by the annualization of office automation training as well as monthly expenses still in force due to the delay of the PBX procurement.

Mr. Chairman, this concludes my statement. And, I wish again to thank the committee for its guidance, understanding, and support, and will be pleased to answer any questions you may have.

I also would like you to know that I have my Directors of the major departments here today also in the event that we get into technical questions.

INTRODUCTION OF CHAIRMAN HATFIELD

Senator D'AMATO. All right. Chairman Hatfield.

Senator HATFIELD. Mr. Chairman, I would only ask that we may call Mr. Garcia back shortly possibly in executive session on the matter of security.

He is going to inquire about a certain matter that may require us to go into executive session, or I would request that.

Senator D'AMATO. OK.

SENATE SECURITY

Senator HATFIELD. Mr. Chairman, on the whole matter of security, I would like to ask Mr. Garcia, as it relates to the 106 new personnel that you have identified for fiscal year 1987, how you divide that additional personnel again into categories of, say, the Capitol Building itself, security relating to the Capitol Building, and the security relating to the Senate Office Buildings, and the additional security for personal protection of individual Senators who have had incidents or such threats made upon them?

Could you break that down into those categories for us?

Mr. GARCIA. If I could, I would ask Inspector Howe to give me that breakdown. I have the total figures, but Inspector Howe can break that down.

Mr. HOWE. There are 87 positions altogether, Senator, for the security enhancement package. Forty of those are for the Capitol perimeter itself. Twenty-seven——

Senator Hatfield. The Senate side of the Capitol.

Mr. HOWE. No; that's both sides, sir.

Senator HATFIELD. Oh, the full—we are talking about the total, the House side as well as the Senate side?

Mr. HOWE. Right. It's 87 positions total. There are 27 positions earmarked for improvements in garage security in the Hart Building.

I believe there are also 14 K-9 positions in there to improve explosive detection.

Now, we split joint operations like explosive detection and the Capitol Building itself down the middle between the House and the Senate. The Senate's portion is somewhat larger because 27 of the positions are going into the Hart Building.

Senator HATFIELD. This is based in part, at least, on the findings of the whip's study?

Mr. HOWE. Yes, sir.

Senator HATFIELD. Does this employ the greatest utilization of technology over and above what we may have now?

In other words, it seems to me like a tremendous number of personnel. That is 27 for the security of the Hart Building garage.

Where have we employed or studied the greater utilization of technology in terms of security? Does this represent the highest use of technology?

Mr. HOWE. Yes, sir; it does. The technology that we have in place in the CCTV proposal, for example, supports existing security, but does not replace it. If I could use an example.

If you assign an officer to a room to provide security and at some point later on down the line decide to alarm the room to provide better security, that relieves an officer of the job of securing the room, but an officer is then needed to monitor the alarm at a central point and another to respond to the alarm.

So, you really kind of create another job as well. It becomes cost effective when it expands to hundreds of offices.

OFFICE ALARMS

Mr. Garcia. If I may follow up on that example. An alarm has been installed in each Senate Office. That enables the receptionist to summons emergency assistance by simply pushing the button.

This system is in the process of being expanded to include virtually all offices in the Capitol complex. The unseen factor is that this system, without the personnel to centrally monitor the system and respond effectively when called, is functionally useless if we don't have the manpower.

Senator Hatfield. Mr. Chairman, I think this is perhaps a far more serious problem than I supposed, because I have been targeted on occasion and have had this additional assistance of protection and so forth.

BUILDING SECURITY

But, over and above that point, I don't think we have taken this security problem seriously enough as it relates to the buildings. It bothers me that people enter the building before there is basic challenge on the question of security.

So, this great icon of the Capitol itself and the related buildings could be damaged or destroyed before detection were ever made. And under this plan that the whips have put together, it has a typical bureaucratic encumbrance of having to be approved by five committees, I believe of the House and the Senate combined, before it can ever be implemented, except the part relating to personnel. That's the exception.

SECURITY ON OUTER PERIMETER

But, it also inhibits the visitors, once they are in the building, to run into these blockades of the second floor, access to the second floor, and all that. It seems to me that if you would want to minimize the armed camp impression, we would be far better off to get the testing and challenges to security out to the perimeters, as recommended by the report.

The Capitol Architect has been, you know, programming a perimeter of security for this building for quite some time, long before the whips ever put their report together.

It seems to me that with five committees, each one thinking the other has the initial responsibility, I would urge this committee which, after all, would have to ultimately fund any kind of a program, to be the dynamic in this whole process and urge the authorizing committees to move ahead. Some committee is going to have to take the lead role, otherwise, it's not going to happen.

Would you care to comment on those observations, Officer Garcia?

Mr. Garcia. I agree with you, Senator Hatfield. And I'm encouraged to hear you say that. I know of your long-time interest in helping the Office of the Sergeant at Arms and the U.S. Capitol Police to develop an effective security program for the entire Capitol complex. I am very grateful for your assistance.

I had a discussion on the floor with Senator Bumpers not too long ago, shortly after he indicated his extreme interest and concern that this committee had not had an opportunity to review the whole security question. I approached him and indicated to him that I was ready, willing, and able, with the help of my able staff, to help him in any way possible.

And, so I look forward to working with you, Senator, and Mr. Chairman and the rest of the committee, because I think it is an important issue and probably one of the most important issues that has faced this Office—not to say that the others aren't important, but certainly this is a very, very important issue. And I do not take this responsibility lightly.

And, again I am encouraged to know that there are Members such as yourself, the chairman, and others, obviously the whips, and the leadership on both sides are very concerned. The sooner we get to this matter, the sooner we can answer some of these questions and get some definite direction as to what our priorities should be and how much money we need, the better off we are going to be.

I would say to you, without any reservation, Senator Hatfield, that there are nights that I don't sleep very well thinking of the possibilities that exist that could challenge this historic building and Members of the U.S. Congress.

Senator HATFIELD. Mr. Chairman, that's why I would like to know if it's all right with you to excuse Mr. Garcia when you finish questioning him, to let him get some of the detailed data that I have asked him to bring here. I don't think it helps the situation at all to have some of these items made public, as to incidents that have occurred and have, fortunately, not been in the press.

As you know, so frequently one nut triggers all the other nuts by having great publicity given to certain of these incidents. But, I think frankly there is more of a danger here than a lot of us realize just because we aren't aware of some of the details of the things that I think Mr. Garcia can bring back to this committee this morning.

If he could be excused for a few moments to get on the telephone, I think——

Senator D'AMATO. Certainly. Why don't we do that, then? It's the chairman's suggestion that we then proceed thereafter with an executive session?

Would that be your inclination?

Senator HATFIELD. Yes.

Senator D'AMATO. We have a number of questions for the record that I'm going to submit to you.

Mr. GARCIA. All right, sir.

CAPITOL FENCING

Senator D'AMATO. But, let me ask you this. Let me get in my mind if I might, before we go into executive session, as we relate to the perimeter, you talk about 40 of the new officers being assigned to the perimeter.

Is that in contemplation of a fence?

Mr. Howe. Yes, sir; there are eight entry points to the perimeter that will require staffing. People will be screened at the perimeter rather than at the building itself.

Senator D'Amato. Prior to the installation of that fence, how do you intend to use those 40?

Mr. Howe. They won't be used until the fence is installed.

Senator D'Amato. Will they be hired prior to that?

Mr. Howe. They have to be hired approximately 3 months prior in order to allow training time.

Senator D'Amato. Why don't we follow through on Senator Hatfield's suggestion, then?

Mr. Garcia. All right, sir.

Senator D'Amato. And, if you will get the relevant information, we will appreciate it.

Mr. Garcia. All right, sir.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted for response for the record:]

Questions Submitted by Senator D'Amato

Q. You cite a study of comparable pay rates for police personnel in the Metropolitan area as justification for your request for a pay increase for Capitol Police Personnel. Please provide us with that study.

A. The following table depicts the level of disparity between salaries of Capitol Police officers and those employed in the surrounding jurisdictions. The figures reflect pay rates as of January 1986 and do not include actual or pending raises received by the Prince George's County Police, the Montgomery County Police, or the Metro Transit Police.

Agency	Start	5 years	10 Years	15 Years	20 Years	Average
U.S. Capitol	18,101	23,278	24,316	25,872	28,876	24,089
Alexandria	21,072	24,652	29,994	N/A	N/A	27,141
Arlington County	21,201	23,364	25,536	28,152	29,560	25,563
Metropolitan	22,978	27,800	30,792	33,089	N/A	29,550
Metro Transit	19,581	23,144	25,411	26,266	N/A	24,134
Montgomery County	21,804	25,899	30,764	31,841	N/A	38,430
P.G.'s County	20,293	23,337	26,837	30,863	35,492	27,364
U.S. Park	19,956	24,147	28,742	29,740	31,136	26,744
Secret Service	19,952	24,142	26,725	27,723	28,918	25,492
Average	20,549	24,418	27,680	29,282	30,575	26,501
Disparity	2,448	1,140	3,364	3,410	1,699	2,412

Q. Will the $1,701,000 requested provide an increase for all authorized positions, or only those currently filled?

A. The amount requested will provide a $3,000 increase in base salary for all authorized positions below the rank of Captain. The following table depicts authorized positions by rank and amount.

Rank	Authorized	Amount	Cost
Deputy Chief	1	$ 0	$ 0
Inspector	5	0	0
Captain	8	0	0
Lieutenant	16	3,000	48,000
Sergeant	61	3,000	183,000
Detective	10	3,000	30,000
Technician	41	3,000	123,000
Private	439	3,000	1,317,000
Total			$1,701,000

Q. As of this date, how many vacancies exist in the total authorized force, and how many of those are on the Senate side?

A. As of July 4, 1986, the department has a total of 89 vacancies, with another 13 officers on terminal leave, for a total reduction in field strength of 102. Of those 102 positions, 37 are on the Senate roll.

Q. According to your statement, you are requesting funding for an additional 56 positions for the enhanced security plan, 37 positions to staff the CCTV and Intrusion Detection Systems, and 13 positions for personal protection teams, for a total of 106 new positions on the Senate side alone. This is a substantial increase for one year, especially since most of them are predicated on a capital security enhancement plan that has only recently been proposed and must be approved by five committees. Why don't we fill existing vacancies first, and withhold on new positions until we have a better idea of the requirements?

A. Twenty of the 56 new positions associated with the Senate portion of the Whip's security enhancement plan are earmarked to staff new police posts connected with the Capitol perimeter. According to the Architect of the Capitol, the design, approval and construction phases of the project could take as much as two years, in which case the 20 additional positions would not be needed until FY 88. Other facets of the plan, such as the delivery center, improved garage security, and the expanded explosives detection capability, do not require elaborate planning and construction efforts and can be implemented immediately. A total of 36 new positions will be required to implement these portions of the Whip's plan.

Positions required to staff the CCTV and Intrusion Detection Systems are somewhat different in that the plan for remodeling the central monitoring facility has been approved, funded, and the new system is expected to come on line during FY 87. Consequently, the positions required to staff the system will also be needed in FY 87.

Similarly, the 13 positions requested for personal protection teams are for ongoing operations. Protective details are currently formed on a need basis by stripping personnel from plainclothes security posts in and around the Senate and House Chambers. This practice not only precludes the development of a truly effective personal security posture, but increases vulnerabilities in the two most crucial security areas. The Capitol Police is the only agency statutorily empowered to protect threatened Members of Congress and requirements for this type of security have increased substantially. Projections indicate that 1986 service demands will be approximately 75% higher than those of 1983.

Q. The Secretary of the Senate has testified that you have provided funding for procurement of computer equipment in her offices. What equipment has been provided, at what cost, and to what account were the funds charged?

A. In 1983, a computer system was installed in the Office of the Secretary of the Senate. This system, serving as their office automation system, provided by NBI, Inc., cost approximately $106,000, of which $60,000 was paid by the Office of the Secretary and $46,000 was paid using funds from the Service Department in the office of the Sergeant at Arms. Since the initial installation, there have been 4 upgrades, totalling

$52,000, all of which were paid using Computer Center funds. In fiscal year 1986, funding was requested by the Computer Center, and approved in the Appropriations process, to acquire an optical disk storage system for the Senate Library. The Library of Congress, evaluating the equipment in a pilot project, will not be completed in sufficient time to issue a fiscal year 1986 order. Therefore, we are requesting that funding of $60,000 for this equipment be authorized again in FY 87.

Q. After the initial stage of your recent "reorganization," you wrote in a prepared statement that you directed employees affected by the personnel changes to the Senate Placement Office. How many of those seeking employment through SPO found it?

A. Each of the employees affected by the February Sergeant at Arms reorganization was invited to utilize the services of the Placement Office in seeking employment. The entire staff of the Placement Office was made available to assist in resume preparation and job referral.

A Special "Resume Workshop" was held specifically for those affected employees on February 26, 1986. Placement Office Counselors as well as a representative of OPM took part in the workshop. Only two former employees took advantage of this workshop.

To date only 7 of the 24 employees have chosen to contact the Placement Office for employment assistance. Resumes of these individuals have been referred to offices listing job vacancies with the Placement Office when appropriate. Several interviews have resulted in these referrals. Referrals include: several to Senate offices; one to the White House for a staff position; and two for positions within the Executive Branch.

In addition, routine OPM job vacancy announcements are copied on a weekly basis and forwarded to individuals requesting this service.

Although to date no one has been placed directly through the Placement Office, the staff continues to refer resumes when opportunities arise. The staff of the Placement Office remains available to assist the affected employees until full employment is achieved.

Q. You are requesting an additional $25,000 for "automobile and maintenance," up to $125,000 for FY 87. Pleaes provide us with a list of all vehicles, except police-type vehicles, owned or leased under the authority of P.L. 99-88, section 192, and the primary users of those vehicles.

A. Vehicles are provided to Members of the Leadership and Elective Officers of the Senate for their exclusive use, including the Financial Clerk and the Attending Physician.

Service related vehicles are assigned to the Office of the Sergeant at Arms as listed:

Service Department	(1)	Club Wagan
	(1)	16' Dry Van w/lift gate
Post Office	(3)	Mail Coupes
Admin. Office	(1)	Chauffeur/Messenger Vehicle
	(1)	Chevy Blazer - 4 wheel drive
Computer Center	(1)	Messenger/Delivery Vehicle
Custodial Services	(1)	Messenger/Delivery Vehicle

One (1) messenger vehicle is assinged to the Office of the Secretary of the Senate.

This account was last increased in FY 85 from $90,000 to $100,000. The requested $25,000 increase is to offset rising costs of maintenance and lease rates.

Q. You refer to an additional supplemental request of $3,027,000 for telephone service costs incurred due to delays in acquiring a new system. Since the urgent supplemental has already passed and no other vehicle appears likely for the balance of fiscal year 1986, how do you propose to cover these costs in the absence of an additional appropriation?

A. The supplemental request of $3,027,000 has been re-examined and found to be valid. Part of these costs is due to a 25% increase in local service tariffs effective March, 1986; a 10% increase in rental costs for AT&T telephone equipment effective June, 1986; and a 10% increase in Centrex line costs due to the expiration of our price stability contract in June, 1986.

By controlling present expenditures in other budget categories, it will probably be possible to negate about 1/3 of our current shortfall in local service funding. This, coupled with delaying projects in other departments may allow us to request reprogramming of funds and allow for the withdrawal of this supplemental request.

Q. A replacement carpet in the Senate chamber is a long-standing matter of interest to Senator Hatfield. When do you plan to proceed with this replacement? Has a design and color been selected?

A. Funds are not specifically earmarked in the FY 87 budget for Senate Chamber Carpet. However if this project is approved, we will take appropriate measures to accommodate this procurement within existing funds. The estimated cost is $53,000.

We are currently procuring samples of the 1859 carpet.

Q. What provision has been made to cover the salaries of Senate TV personnel in the hiatus between the end of the test period and the Senate vote on continuing coverage?

A. The Sergeant at Arms has notified Senator Charles McC. Mathias, Chairman of the Committee on Rules and Administration, that one option the Senate has is to continue to televise the

Senate, even though S. Res. 28 calls for a two-week close down of cameras starting July 15. In that case personnel must be on hand. As a matter of fact, Senator Dole last week introduced a resolution calling for television to continue until permanent action is taken. The Sergeant at Arms at the beginning of the hiring period agreed that the personnel would have to stay on the payroll until final action was taken, that it would not be practical to hire people and ask them to go off the payroll July 15 and wait for rehiring perhaps on August 1. The Rules Committee and the Committee on Appropriations expects the personnel to stay on the payroll and beginning October 1, 1986, their salaries will be transferred to the Sergeant at Arms.

Q. Your request includes $394,000 for 15 new positions associated with televising Senate proceedings. Your requested increase over this year's amount for the recording studio is $465,000. What accounts for the additional $71,000 in your requested.

A. The $71,000 additional funding requested in the Recording Studio will allow for modest merit increases for current personnel as well as the filling of an existing vacancy which has been carried to meet targeted levels relative to the Balanced Budget and Emergency Deficit Control Act of 1985.

Q. Please provide additional detail on the need for 13 additional personnel associated with the impending procurement of the new switch.

A. Studies over the past six months have indicated that 13 additional personnel will be necessary to effectively manage and operate a Senate Telecommunications systems. At least five of these personnel are marginally contingent upon a switch procurement and should be hired regardless of switch installation. These are:

1. Assitant Director for Operations
2. Foreman, telephone installation crew
3. Manager, Sub-systems
4. Assistant, State Office Coordinator
5. Receptionist/typist

The remaining eight personnel are directly associated with a switch installation:

6. Systems Maintenance Engineer
7. Manager, Switch Management Center
8. Switch Management Center Technician
9. Supply Manager
10.Hart/Dirksen customer liaison
11, 12, 13. Telephone Installer/Repairmen (3)

A diagram and brief job description of each support task has been included. Please note that Data Base Coordinators for the House and Senate are listed as priority two hire. These positions are presently filled by telephone operators. Until such time as traffic increases, we shall not request hiring authority.

Q. With no increase in the number of positions, you are requesting an increase of $47,000, or 6.6%, in funding for Senate employees in the press galleries. For what purpose are these funds requested?

A. The requested amount will allow for merit increases for employees in the four press galleries, and allow for minimal increases to those individuals who have taken on additional responsibilities with no commensurate adjustment in salary. As with nearly all Sergeant at Arms' employees, there have been no pay increases in the galleries in over a year.

Q. Your budget proposes an increase of 106 Capitol Police officers -- from 611 now to 717 for the FY 1987 Budget. Does the House Sergeant at Arms Budget provide for an increase also?

A. The House portion of additional personnel requirements has not been included in the House Sergeant at Arms FY 1987 budget. The authorizing committee, the Committee on House Administration has been informed of the need for additional personnel, however, and it is anticipated the request will proceed from there.

How many? -

The total personnel requirement for the House portion of the various security proposals is 79.

How many of these new personnel are needed in connection with the video monitoring of the Capitol Complex. Explain please.

A total of 73 additional positions are required for staffing the central monitoring station of the electronic security system, 37 of the total positions have been requested on the Senate side and 36 on the House side.

The electronic security system is a matrix of video monitoring devices and alarms that are installed throughout the Capitol Complex and monitored from a central control point. The system presently incorporates 115 remote cameras and three alarm systems, including intrusion sensors in the tunnel system beneath the Captiol Complex, a system of intrusion alarms on security sensitive offices and installations, and a system of duress alarms in Senator's offices.

After the 1983 bombing in the Senate Wing of the Capitol, a joint survey was conducted by the Architect of the Capitol and certain Capitol Police personnel to identify areas of the system in need of improvement. Based on the survey, the Architect sought and received funding to modernize and expand the existing system. A subsequent design study done by an outside consultant at the request of the Architect indicates that the new equipment configuration will require a total of 15 operator positions as opposed to the present five.

Q. On June 4, 1986, the Washington Post carried an article entitled "Most Capitol Police Officers Seek Union Protection." I would like the Capitol Police Chief, Mr. Carvino, to comment on that article.

A. A Capitol Police labor committee has been formed under the auspices of the District of Columbia Lodge of the Fraternal Order of Police. It is understood that the committee is presently in the process of seeking authorization from the Congress to be recognized as the official bargaining agent for members of the Capitol Police.

There has been no dialogue on either a formal or informal basis between the department and members of the committee. Consequently, information concerning specific issues and the objectives of the labor committee is limited to that which has been published in the media.

The Capitol Police Board is fully aware of this situation and will continue to monitor developments as they occur.

Q. When was the last pay adjustment made for members of the Capitol Police?

A. 1972.

Q. What else would you like to say about this?

A. Parity of Capitol Police salaries with those of other area law enforcement agencies was last addressed in 1972. A survey of nine law enforcement agencies in the metropolitan area indicates that the Capitol Police has the lowest starting salary is ranked seventh after five years of service, and falls back and remains lowest paid after 10, 15, and 20 years of service. The department attrition rate has increased from 4.4% in 1982 to the current rate of approximately 18%. Officers leaving the department cite pay and retirement disparity as the principal factors influencing their decision to seek employment elsewhere.

Q. My staff assistant asked for information on this matter several weeks ago when the supplemental appropriation bill was being processed. There was some discussion of including the pay increase in the supplemental. However, the requested information was not supplied. I would like to have the assurances of the Sergeant at Arms and the Capitol Police Chief that requests for information from the staff of the Appropriations Committee will receive prompt attention. May I have these assurances?

A. Without question. I can assure you that there was certainly no intention to appear uncooperative. Chief Carvino has since met with the Committee staff and has offered his assurances that a timely response will be made to all requests from the staff. Measures have been taken to prevent further miscommunications.

Q. I understand that you are proposing a new telephone system for the Senate. How much will this system cost and how much will it save?

A. Cost

Negotiations are still underway, but our best estimate, based on currently known requirements, is $10,335,000. This includes hardware, cable, engineering and installation costs. In addition, there will be first year maintenance charges of $669,000 and first year operational support charges within our Switch Management Center of $79,000 for a grand total of $11,083,000.

Savings

After the initial installation, recurring costs are estimated at $1,102,000. Compared to present day Government Centrex recurring costs (telephone rental, all services, and moves and changes) of $2,765,400, foreseeable savings will be $1,663,400 per year.

Q. Is the acquisition of the new telephone system to be coordinated with the House side so that economies of scale can be achieved?

A. The acquisition of a new telephone system was coordinated with the House throughout the joint procurement process. However, because needs were significantly varied, it was decided that each would pursue that system which most adequately met individual needs. Meetings are still taking place with the House to assure that any installed systems are compatible, and to take advantage of economies in centralized operator service, centralized directory, common dialing plans and other shared services. Generally, there were no economies of scale in any vendors switch offering, that would make one telephone system economically viable over any other.

Q. For the record, expand on the proposed additions for "Protective Services."

A. Generally speaking, protective services is the process of providing individual protection for the threatened Members of Congress, utilizing a cadre of specifically trained personnel. Although the Capitol Police has had singular responsibility for protecting Members of Congress for some time, adequate personnel have never been set aside and trained to carry out this critical function in the manner it deserves.

The proposed improvement of the protective services function entails the establishment of four protective teams, each staffed by a sergeant and four detectives. The teams will be dedicated exclusively to the protective function and will be selected and trained in a manner very similar to protective units of the United States Secret Service. Once established, the teams will be able to provide high quality, individual protection for threatened Members of Congress, their immediate families and staffs, without diminishing security for the Congress as a whole.

The protective teams would also be utilized extensively for providing close personal protection for visits by heads of foreign governments and for special events. In the past, security for these types of events has been accomplished through the use of extensive numbers of uniformed personnel to establish a secure perimeter. This practice necessitates an extraordinary number of officers and is usually quite costly in terms of overtime and other personnel costs. It is envisioned that adoption of the protective team concept will permit us to diminish this type of area security in favor of a more efficient and cost effective personal protection approach.

Finally, I think it should be stressed that while the Federal Bureau of Investigation has certain investigatory responsibility with regard to threats upon Members of Congress and the Secret Service is empowered to protect certain statutorily identified government officials, the Capitol Police is the only entity empowered to provide protection for Members of Congress. Protective authority could be extended to either or both of these Executive Branch agencies, but we feel that the Capitol Police, as an arm of the Legislative Branch, is a more logical choice and is best equipped to deal with the specific protection problems of the Congress. Similarly, we believe that by networking with the F.B.I., the Secret Service, and local law enforcement the Capitol Police can effectively provide quality protective services in a less costly manner than other agencies.

ARCHITECT OF THE CAPITOL

STATEMENT OF GEORGE M. WHITE, ARCHITECT OF THE CAPITOL

Senator D'AMATO. Our next witness will be Mr. George White, the Architect of the Capitol.

George.

Mr. WHITE. Yes.

Senator D'AMATO. George, how are you?

Mr. WHITE. Fine, thank you.

Senator D'AMATO. Do you want to proceed?

Mr. WHITE. Yes. Thank you very much, Mr. Chairman. I have a brief statement, and I will highlight that.

Senator D'AMATO. We will take your entire statement, as we have indicated prior, and it will be copied into the record.

OPENING STATEMENT

Mr. WHITE. The justifications, which are the major presentation, have been prepared, as you know, Mr. Chairman, to include all items pertaining to the Architect of the Capitol, including House items, Senate items, joint items, and the Botanic Garden.

The total appropriation requested for fiscal year 1987 is $111,845,000, which includes funding for 2,074. This represents a net increase of $4,886,000 and an additional 11 positions over the fiscal year 1986 totals of $106,959,000 and 2,063 positions.

Stated differently, the gross increases requested are $24,467,000 which have been reduced by nonrecurring fiscal year 1986 program deductions amounting to $19,581,000.

INCREASES

The $24,467,000 increases fall into six categories. The first one is the restoration of Public Law 99–177 sequestration, which totals $3,063,000, or 13 percent of the increase.

Mandatory items, which total $1,326,400, or 5 percent of the increase. This category includes personnel benefits, premium pay items for existing positions, and within-grade salary advancements, all authorized by law.

New positions, which total $238,100, or 1 percent of the increase. There are four additional positions requested to provide needed staffing for the maintenance of the electronic systems, including security, the TV system—that is to say, the TV distribution system—fire and duress alarms and so forth.

Two additional painters and five laborer-cleaner positions are needed to provide sufficient staffing for those functions in the Hart Building.

RECURRING MAINTENANCE

Annual recurring maintenance, which totals $1,667,500 is 7 percent of the increase. There are two significant items in this category. One of them is $486,900 for maintenance and rental of office equipment, which represents 29 percent of the increase in this category; and, the other at $700,000 for the purchase of electrical energy, which represents 42 percent of the total increase in this category.

And the balance is to take care of other items such as procurement of supplies and materials, painting, et cetera. Of the total of $1,667,500, approximately $237,000 represents inflationary increases.

CYCLICAL MAINTENANCE

The next item is that of cyclical maintenance which totals $2,992,000, or 12 percent of the increase. As I've indicated in the past, I define this category as long-term maintenance that arises only once in 10 or 20 years such as roof repairs, sidewalk replacement, and so forth.

Some of the large items, in monetary terms, under this category are the recent additions of various air-conditioning systems in the Capitol Building, which amount to $400,000; replacement of the central processors for the fire and life safety and security system in the James Madison Memorial Building, $265,000; replacement of air-conditioning units in the Dirksen Building at $650,000; and so forth, for a number of other similar items.

NEW PROGRAMS

The last category is continuing and initiating other programs, which totals $15,180,000, or 62 percent of the total increase. Included in this category are funds for such programs as contingent expenses, energy management program, alterations to selected areas in the Capitol Building and House Office Buildings, conservation of the Rotunda frescoed canopy and several wall paintings in the Capitol Building, conservation of the bronze doors and staircases in the Capitol Building, et cetera, a number of other items similar to that.

Several large items are included here such as the replenishment of the reprogramming for electrical wiring and alterations for the automatic data processing equipment in the Senate Office Buildings, which amounts to $1,400,000; and improvements to the Longworth Building—it's a House item, but it's in this category and amounts to $4,000,000. Building wide smoke detection and voice fire alarm systems in the Capitol and House Office Buildings, et cetera.

LANGUAGE CHANGES

That concludes the six categories, Mr. Chairman. And at this time, I thought it would be appropriate to mention that I have provided, through inclusion in the requested 1987 appropriations language for the Capitol Buildings, pertinent language to increase by $330,000 the limitation of cost contained in House Concurrent Resolution 550, which has to do with security matters, from $7,959,000 to $8,289,000 to provide for a graphics display system and additional x ray package inspection units.

In addition, language has been included for the Botanic Garden for a minor increase in limitations on travel expenses, not appropriations but limitations on expenses.

SUPPLEMENTAL ITEMS

There are three items for which supplemental funding is required. The first is the initial phase of a program to replace electrical transformers containing hazardous polychlorinated biphenyls—PCB's as they are known in the public—at a cost of $8 million.

These funds are also requested to be exempted from the provisions of section 3709 of the revised statutes so that we may be able to preselect qualified contractors from whom to solicit proposals for the work.

HART ELEVATORS

Senator D'AMATO. Just like the contractor who put the elevators in.

Mr. WHITE. They were not preselected, Mr. Chairman.

[Handing witness a paper.]

Senator D'AMATO. What does that say?

Mr. WHITE. That says, "Elevators in the Hart Building are terrible. What's being done?"

Senator D'AMATO. Is it underlined?

Mr. WHITE. Terrible is underlined.

Senator D'AMATO. How many times?

Senator HATFIELD. Were they low bid?

Mr. WHITE. Pardon me?

Senator HATFIELD. Were they low bid?

Mr. WHITE. Yes. On the other hand, we've had some revisions——

Senator HATFIELD. How often do you have to replace the people down below who pull the chains? [Laughter.]

Senator D'AMATO. Go ahead. That's square one as I see it. A year has gone by and there is no improvement. You proceed.

Mr. WHITE. Funds in the amount of $7,675,000 are requested to complete the security and aesthetic improvements to the east plaza of the Capitol. Finally, $2 million is requested for the purchase of electrical energy to cover the estimated energy cost for fiscal year 1986.

That concludes a brief summary, Mr. Chairman. And I'm available to respond to any questions.

[The statement follows:]

STATEMENT OF GEORGE M. WHITE, ARCHITECT OF THE CAPITOL

In presenting our appropriations request for fiscal year 1987, Mr. Chairman, I intend to proceed, with your approval, in the same manner as has been the practice for the past several years, that is, to present a brief summary of the various requests, following which I will be pleased to respond in detail to questions regarding any of the specific items that you wish to pursue.

The justifications have been prepared, Mr. Chairman, to include all items pertaining to the "Architect of the Capitol," including House items, Senate items, joint items, and the Botanic Garden.

The total appropriation request for fiscal year 1987 is $111,845,000, which includes funding for 2,074 positions. This represents a net increase of $4,886,000 and an additional eleven positions over the fiscal year 1986 totals of $106,959,000 and 2,063 positions. Stated differently, gross increases requested are $24,467,000 which have been reduced by nonrecurring fiscal year 1986 program deductions amounting to $19,581,000 and the position request remains unchanged. If the item "House Office Buildings" is excluded, the $24,467,000 increase for 1987 reduces to $16,636,000, of which $7,544,000 is for Senate Office Buildings, and eleven new positions. The $24,467,000 increases fall into six categories, namely,

Restoration of Public Law 99-177 Sequestration, which totals $3,063,000, or 13% of the increase;

Mandatory Items, which total $1,326,400, or 5% of the increase; This category includes personnel benefits and premium pay items for existing positions and within-grade salary advancements authorized by law.

New Positions, which total $238,100, or 1% of the increase; Four additional positions are requested to provide needed staffing for the maintenance of electronic systems, including security, CATV, fire and duress alarms and the like. Two additional painters and five laborer-cleaner positions are needed to provide sufficient staffing for those functions in the Hart Building.

Annual Recurring Maintenance, which totals $1,667,500, or 7% of the increase; This category contains two significant increases, one of $486,900 for maintenance and rental of office equipment, which represents 29% of the total increase in this category and the other at $700,000 for the purchase of electrical energy, which represents 42% of the total increase in this category. The balance of $480,600 is required to finance normal maintenance responsibilities, such as repairs and improvements to electrical, air conditioning and other mechanical systems; procurement of supplies and materials and equipment; and painting. Of the total increase of $1,667,500 approximately $237,000 represents inflationary increases.

Cyclical Maintenance, which totals $2,992,000, or 12% of the increase; As indicated in the past, I define this category as long term maintenance items that arise only once in ten or twenty years, such as roof repairs, sidewalk replacement and so forth. Some of the largest items, in monetary terms, requested under this category are the reconditioning of various air conditioning systems in the Capitol Building ($400,000), replacement of central processors for the Fire and Life Safety and Security System in the James Madison Memorial Building ($265,000), replacement of air conditioning units, Dirksen Building ($650,000), replacement of elevator door operator hardware and cabs, Dirksen Building ($402,000), replacement of raised floor, HIS computer center, House Office Building Annex No. 2 ($140,000), and replacement of concrete sidewalks at various locations on the Capitol Grounds ($189,000). The remainder of $946,000 is required for several items for property and equipment maintenance and replacement.

The last category is Continuing and Initiating Other Programs, which totals $15,180,000, or 62% of the increase; Included in this category are funds for such programs as Contingent Expenses ($135,000); an energy management program ($1,585,000); alterations to selected areas in the Capitol Building and House Office Buildings, ($388,000); conservation of the Rotunda frescoed canopy and several wall paintings in the Capitol Building, ($745,000); conservation of bronze doors and staircases in the Capitol Building and the Statue of Freedom model, ($190,000); installation of two new elevators to provide additional service in the James Madison Memorial Library, ($650,000); funds for furniture and furnishings in the Hart and Immigration Buildings, ($2,500,000); replenishment of reprogramming for electrical wiring and alterations for ADP equipment in Senate Office Buildings, ($1,400,000); construction of a catering kitchen for the House Restaurants,

($895,000); improvements to the Longworth fire protection, electrical power and telephone and data communication wiring systems, ($4,000,000); building wide smoke detection and voice fire alarm systems in the Capitol and House Office Buildings, $(575,000); and $2,117,000 for several other items.

At this time, Mr. Chairman, I thought it appropriate to mention that I have provided, through inclusion in the requested 1987 appropriations language for the Capitol Buildings, pertinent language to increase the limitation of cost of H. Con. Res. 550 from $7,959,000 to $8,289,000 to provide for a graphics display system and additional x-ray package inspection units. In addition, language has been included for the Botanic Garden to increase the limitation on travel expenses from $275 to $1,000. And finally, I have requested that our Miscellaneous Improvements accounts be appropriated again on a "No Year" basis. Many of our Miscellaneous Improvements projects begin in one fiscal year and are completed in the following one. When funds are appropriated on an annual basis, this necessitates closing out project accounts at the end of the year and reopening them at the beginning of the year. Appropriating these funds on a "No Year" basis would avoid this unnecessary duplication of accounting.

Fiscal Year 1986 Supplemental Request

There are three items for which supplemental funding is required. The first is the initial phase of a program to replace electrical transformers containing hazardous polychlorinated biphenyls (PCB's) at a cost of $8,000,000. These funds are also requested to be exempted from the provisions of Section 3709 of the Revised Statutes, as amended, so that we may be able to preselect qualified contractors from whom to solicit proposals for the work. Funds in the amount of $7,675,000 are requested to complete the security and aesthetic improvements to the East Plaza of the Capitol Building. Finally, $2,000,000 is requested for the purchase of electrical energy to cover the estimated energy cost for fiscal year 1986.

Mr. Chairman, that concludes my brief summary and I shall be pleased to respond to questions that you and the Committee may have.

HART ELEVATORS

Senator D'AMATO. I'm only going to touch on a few. And I have some questions that I will ask you to answer in writing.

I must say that I have not seen an improvement with those elevators. Would you bring us up to date as to what work has been done?

Last time, we were talking about the bids going out and people coming on——

Mr. WHITE. Yes.

Senator D'AMATO [continuing]. And we were talking about a matter of weeks, and things were going to be done.

Has the improvement work been completed on the elevators in the Hart Building?

Mr. WHITE. Yes. We——

Senator D'AMATO. Are you satisfied with the operation of the elevators in the Hart Building?

Mr. WHITE. Well, yes; in the sense that we have examined and taken data on the waiting times, et cetera, which have improved dramatically from what they were the last time we spoke.

And, in my own experience, it has been substantially improved. We haven't had any complaints that I'm aware of. This is really the first one that I've heard since we have made those modifications.

Now, it may be that it still needs additional improvement. But, so far as I know, it's satisfactory at this time.

ELEVATOR SERVICE STUDIES

Senator D'AMATO. You have made some studies in regard to the waiting time for elevators——

Mr. WHITE. Yes.

Senator D'AMATO [continuing]. At the Hart Building?

Mr. WHITE. Yes; I don't have them here, but I will be glad to furnish them for you.

Senator D'AMATO. Would you do that? And, give us the times in which those studies were made and if they were made at off-peak hours?

Mr. WHITE. Yes.

Senator D'AMATO. Do all the elevators work?

Mr. WHITE. Yes; and, as a matter of fact——

Senator D'AMATO. I mean, because some people have told me that they really believe that maybe there are just two elevators that work in the entire building. Now, I'm not suggesting that is the case.

But, I mean, it's——

Mr. WHITE. No; as a matter of fact, what we have done in order to preclude the difficulty that sometimes has arisen in the past, a year ago, when an elevator would stop operating for some mechanical reason and no one seemed to be able to discover that in time, we have installed what is called an annunciator. These are indicator lights where there is someone always present; namely, a policeman, at the end of the subway tunnel at the Hart Building. Those lights are located in front of him.

If one of those lights goes on, he immediately calls the elevator engineer in order to get that elevator back in service. So, we have had very few down times, and all of the elevators are operating.

Senator D'AMATO. All right. I would appreciate it very much if you could give us a copy of the study you performed and let us know when and how it took place.

Mr. WHITE. I would be happy to. In addition, we can take another one, a more recent one.

CALDER SCULPTURE

Senator D'AMATO. Good. Good. That would be terrific. The Calder, what's happening?

Mr. WHITE. The stabile, which is the portion going on the ground, will be delivered——

Senator D'AMATO. Is it true that the stabile is so big that we couldn't get it through the door?

Mr. WHITE. No; we always knew that it was big. It is huge. But, it's coming in in pieces, and we will have to remove the doors. We knew that from the beginning.

But, it will be delivered some time in August. All of these custom-built works of art take longer than one anticipates. As you know, the mobile took, it seemed, forever in order to get it operational. The stabile will be here by August.

As a matter of fact, we have been in touch with the manufacturer of it. It's all assembled. It is completed and assembled in Waterbury, CT.

Senator D'AMATO. And it is possible now to get it in through the door?

Mr. WHITE. Well, no; we are going to have to remove the doors.

Senator D'AMATO. Well, I understand that.

Mr. WHITE. But, yes; it's possible.

Senator D'AMATO. I mean, the story has been told many times in the Capitol, whether factual or not, that the stabile had been built but so large that it could not get through the doors no matter what took place. Is that true?

Mr. WHITE. No, no, no; that was never true. Those are nice, interesting rumors. But, never, never true.

Senator D'AMATO. I have been lead to believe that.

Mr. WHITE. No. As a matter of fact, if you will notice, there have recently been some holes drilled in the floors in order to carry the loads of the stabile directly into the structure. The stabile weighs 36 tons in total.

So, you couldn't just place it on the surface on the marble. The loads have to be carried directly into the structure. That's all in process now and will be completed within the next few weeks. And then, the August delivery date will be met.

Senator D'AMATO. Now, the stabile will be delivered in August and will come in in different pieces to be assembled.

Mr. WHITE. Yes.

ASSEMBLY TIME

Senator D'AMATO. How long will that assembly take, do you believe?

Mr. WHITE. I believe it will take in the neighborhood of 2 to 3 weeks.

Senator D'AMATO. So that after the Labor Day recess, when we return it would be——

Mr. WHITE. It should be completed by then; yes. That's the promise we have from the manufacturer who will assemble it here as a part of his contractual agreement with the Capitol Art Foundation which is funding this process.

Senator D'AMATO. The stabile will be mounted?

Mr. WHITE. Yes.

Senator D'AMATO. Do we have paths that we can climb up?

Mr. WHITE. No; I think it would be difficult to climb up. [Laughter.]

But, you will be able to walk through.

Senator D'AMATO. This ought to be very interesting. I don't know if I would like to walk under there.

Mr. WHITE. The mobile is, incidentally, a unique construction. It's made of aluminum. And, the largest one of those clouds that you see has a length of 43 feet in its longest dimension, and yet you will see they are quite flat and very thin. That couldn't be done except through the method that was used.

Senator D'AMATO. How much does that weigh?

Mr. WHITE. The total that it weighs is 4,500 pounds. And the building was designed, of course, to receive these. This was part of the coordination between the architecture and the sculpture.

Senator HATFIELD. We built the building around the sculpture?

Mr. WHITE. Well, it would have been easier probably if we had done that. But we designed it around the sculpture and vice-versa. [Laughter.]

Senator D'AMATO. Before we go on to the west front and try to get a little update, Mr. Chairman, do you have any questions?

Senator HATFIELD. Who is paying for the installation, did you say, an art commission?

Mr. WHITE. The Capitol Arts Foundation, Inc. is a nonprofit entity that was established by former Senator Brady, which collected the money and is paying the contractors for doing the work.

Senator HATFIELD. So, the sculpture itself has been donated——

Mr. WHITE. That's right.

Senator HATFIELD [continuing]. And the installation as well?

Mr. WHITE. That's correct. Now, we have spent some of our maintenance funds. For example, drilling the holes and that sort of thing was done with our own employees, as well as building that fence. That has come out of our maintenance funds.

But, the basic cost has been borne——

Senator HATFIELD. Is there any way to reconsider the black cloud and get navy blue? I don't see what in the world anybody who had any artistic ability at all would ever develop black clouds in a political environment. [Laughter.]

Mr. WHITE. That's a valid observation.

Senator HATFIELD. I know there is a contrast between the white and the dark, but even navy blue could still be called a blue cloud.

Mr. WHITE. I think that would have been a wise decision. This decision was made by Alexander Calder himself.

Senator HATFIELD. He is dead now. Why can't you [laughter].

Mr. WHITE. I will be glad to raise that question. [Laughter.]

Senator HATFIELD. With Mr. Calder? [Laughter.]

When you have your seance? [Laughter.]

Senator D'AMATO. Let me ask you, to whom would you raise the question?

Senator HATFIELD. Don't press that. [Laughter.]

You might get an answer. [Laughter.]

Senator D'AMATO. Could you consider making that a nice blue cloud?

AESTHETIC JUDGMENT

Mr. WHITE. Well, I think that the art world would have some difficulty with that on the basis of the decision made by the original artist. And, of course, the family and the estate is still in control of the works of Calder, because there are others in a similar category.

I think it would raise a lot of questions that might not be easily answered. I think it would be useful to form additional judgments after the stabile is in. It might have a different affect once the whole sculpture is completed.

You really have only seen a portion of it at the moment. I would urge that some reflection be given to that.

Senator HATFIELD. The mountains are going to be black, too?

Mr. WHITE. Also black.

Senator HATFIELD. I think I have seen plenty of it. Excuse me, Mr. Chairman.

Senator D'AMATO. Oh, no. You know what I'm afraid of though, Mr. Chairman, what happens once the mountain is there? And, they will say, you can't possibly change it now.

Senator HATFIELD. Oh, no. Well, they have no intention of changing it.

WEST FRONT RESTORATION

Senator D'AMATO. West front.

Mr. WHITE. Yes.

Senator D'AMATO. Would you give us a report?

Mr. WHITE. Yes; the west front is progressing very well, as I think has been publicized in other forums.

We are approximately 70 percent complete at this point. All of the structural restoration work is now completed insofar as the building is concerned.

There is some minor work to be done on the retaining wall that is in the court area behind the terraces and that retains some public utility facilities. But the wall itself and, therefore, the building is now completed in terms of structural restoration.

That was the area in which we had the greatest concern for possible collapse or movement of some masonry arches and so on. That's all behind us and completed.

And the same thing is true of the portico, which was in very bad condition. That's now all been structurally restored and completed. The roof of the portico is now in process of being installed.

We were able to save money in restoring the portico. As we investigated the portico we discovered that the columns were not in as bad shape as we thought, and, therefore, we only replaced one of the column capitals. We were able to drill down through the column from top to bottom and install reinforcing down through the center. We then filled them with cement grout, so that they are all now stable, which they hadn't been before.

We thought we might have to take each column apart in order to restore some of the intermediate stones. That didn't have to be done. So, we saved a lot of money in that regard.

The rest of the work now being done is basically cosmetic. The replacement of broken stones, the replacement of worn stones in the balustrade as well as in the cornice that supports the balustrade at the top of the building, and carved stones as well as plain, flat stones which have deteriorated that are being replaced.

That's continuing. There will be some birdproofing necessary at the end and also a final coating of the stone with a coloring agent as well as a preservative agent. We are still struggling with the decision on that, being helped by the National Bureau of Standards with regard to the various chemicals that have been made available, none of which, so far as we are concerned at the moment, have been successfully shown to be properly applicable to the stone without causing more problems than it purports to prevent.

So, we are being very careful about that.

Senator HATFIELD. You mean a paint?

STONE COATINGS

Mr. WHITE. Yes; it's a paint. Well, it's two things. It's a paint but there are two ingredients. One is a preservation-type chemical and the other is a pigmented-type chemical, and they may all be done at the same time or maybe in two coats, or maybe we don't do the first one at all.

We are soon to have an answer to that. We expect to be completed next year—we are 210 days ahead of schedule at the moment. We are in the neighborhood of $20 million below the budget, because we have not used any of the contingency funds.

As I mentioned, incidents in the structural area which is where we felt the problems would occur have not occurred. We made test borings in the beginning to try and develop the most——

Senator D'AMATO. Isn't it good that we made that fight, Mr. Chairman?

Senator HATFIELD. Pardon?

Senator D'AMATO. Isn't it good that we made that battle for restoration as opposed to that new office complex that they were suggesting?

Mr. WHITE. Well, it's certainly less expensive.

Senator D'AMATO. Well, isn't it much more historic in terms of preservation as well?

Mr. WHITE. Well, that argument has been decided. So, I suppose it's not very useful to get back into it.

Senator D'AMATO. Correct.

Mr. WHITE. It was an effort at that time to complete the design of the building which had been done, as you may recall, by Thomas Walter who designed the wings and the dome and showed extensions to the east and west front. But, that's behind us.

And the fact is that we have exerted our best efforts——

Senator D'AMATO. Well, the fact is that the problem area that we were all concerned about, we were fortunate in it not having the problems that——

Mr. WHITE. That's correct; we have been fortunate. I must say—this is somewhat self-serving—that I attribute a little bit of it to good management of the process.

Senator D'AMATO. Without a doubt.

Mr. WHITE. Thank you, Mr. Chairman.

Senator HATFIELD. Where was that located, the management?

Mr. WHITE. In the people who work in the Office of the Architect of the Capitol.

We are very pleased with how the west front has gone. I might say also——

RESTORATION COMPLETION

Senator D'AMATO. When did you say the completion—you were coming to an estimate as to the completion?

Mr. WHITE. Yes; we expect that we will be completed in the fall of 1987, which is about a year ahead of schedule.

We are trying now to make an agreement with the present contractor to do the painting and the birdproofing with his existing scaffolding. Otherwise, he will leave and then we have to start over again.

So, we are hoping we can make that arrangement which will save a lot of time and, we hope, some money. That is now in the process of negotiation. We think it will be a successful negotiation.

We have a very good contractor. This was one of those instances where we were permitted to conduct the process without regard to section 3709 of the revised statutes, so we had selected contractors and bidding by the selected contractors, any one of whom was acceptable to do the work. The Tompkins Co. was the successful low bidder under those conditions and has been an excellent contractor. We haven't had the usual problems with requests for extras.

There have been some additional costs, but they have been fair and properly negotiated, and they have amounted to a very tiny percentage of the work. Now, that occurs for a lot of reasons. But, one of them is having a contractor who is interested in doing good work at a reasonable price. And, we have one of those.

Senator D'AMATO. Mr. Chairman.

EAST PLAZA SECURITY

Senator HATFIELD. Mr. Chairman, thank you. I have just three quick questions.

Could you tell us, are you proceeding again with the purchase of Belgian building block for the future plaza development when we once reach an agreement on the security—and over and above even the security factor, the matter of getting that plaza in place?

Mr. WHITE. Mr. Chairman, that has not been funded. We have a request in the supplemental to fund that cost.

Furthermore, the proposal has not been approved. As you recall, the approval process for even the beginnings of it—namely, the security portions—has not been completed. The law required that final approval be given by this committee as well as its counterpart on the House side.

Senator HATFIELD. Let's delineate though between the security factor—even though it's hard to do.

Mr. Chairman, we have expended rather substantial sums of money to purchase property in the House Office Building area to build a parking lot. We have spent, and are spending, considerable sums of money to buy them across from the Hart Building to develop that parking lot.

That was always, at least in the minds of some of us, related to being able to vacate this horrible parking lot in front of the Capitol which destroys the whole east front. Bearing in mind that this parking lot is not for visitors, this is for the convenience of staff.

And with the development of those two parking lots on the perimeter, then we ought to be moving to vacate and make this into a plaza as in Europe and other great places where there are such public buildings.

PARKING FACILITIES

It seems to me that is a separate objective, over and above the security program and whether we put those posts that you originally intended on the perimeter of the parking lot. But, I would urge this committee to begin that kind of commitment, over and above the question of security and based upon the original idea of why we were going to spend huge sums of the taxpayers' money to buy property to build parking lots.

Senator D'AMATO. Well, pursuant to Senator Hatfield's observation, a question about the block. What are your plans concerning the further development of those parking facilities?

Is there another building across from Hart that we own that is supposed to provide additional parking as well?

Mr. WHITE. Yes.

Senator D'AMATO. How many spots will that provide, and when will they open?

IMMIGRATION BUILDING RENOVATION

Mr. WHITE. Well, that will come down upon the completion of the modifications to the old Immigration Building, which is where the Police Headquarters will go. And——

Senator D'AMATO. When? When?

Mr. WHITE. I believe it's in 2 years.

Senator D'AMATO. Two years?

Mr. WHITE. Well, the modifications to that building are just now beginning. And, we have to move the police out of their existing building to the modified Immigration Building. It may be less than that, but 2 years at the outside.

Senator HATFIELD. You've had a wooden shaft built to send down all the crap that you were breaking out of that building for a year.

Mr. WHITE. One of the reasons we couldn't complete it was that we had the day care center in there and we had to move them out, which has now been accomplished.

The contractors are getting ready now to begin the renovations to the building. That will take about 1½ years. So, 2 years at the outside.

Senator HATFIELD. Washington style.

Mr. WHITE. Pardon? I'm sorry?

Senator HATFIELD. Washington style, it will take 1½ to 2 years.

Mr. WHITE. Well, it's——

Senator HATFIELD. You could do that in Portland, OR, in 6 months. I've never seen such a slow pace anywhere else in this area in construction——

Mr. WHITE. The weather is better in Portland than it is here for those purposes.

Senator HATFIELD. You can't blame it all on poor workmanship or slow workmen.

Mr. WHITE. Well, we will do the best we can.

NUMBER OF PARKING SPACES

Senator D'AMATO. With that building coming down, how many parking spots altogether when you get that plus——

Senator HATFIELD. Mr. Chairman, there was going to be an underground facility, a very intricate type of thing, that was going to tie into the office buildings, much like the one on the other side of the Russell Building. And we have already added a number of slots there by taking down the old Carroll Arms and all those others.

Mr. WHITE. We added enough space on square 724, which is the square——

Senator D'AMATO. How many parking spots do we have now that are——

Mr. WHITE. On the east plaza itself, there are approximately 350 or 360 spaces. If you include the driveways, that are curved drives, in the Capitol Square, there are about 750, something like that.

Senator HATFIELD. How many of those did you decrease when you added these parking lots?

Mr. WHITE. We didn't decrease any of them, of course.

Senator HATFIELD. No. See, just adding more and inviting more people to drive.

Mr. WHITE. The plan was, of course, as you mentioned, to eliminate the parking on the plaza itself. And the spaces that were created, both on the House and the Senate side, would accommodate that, those 350 spaces.

As a matter of fact, it's my understanding that the spaces on square 724—that is the square on which the buildings were demolished—are still not assigned. There are cars parking there, but they are not permanently assigned, as I understand it, on the basis that you suggested.

SECURITY PROGRAM

Senator HATFIELD. Mr. Chairman, there is another factor in this. So far, we have been toying perhaps about the aesthetics. But, on the other hand this is also keyed into the whip's report of the security factors.

Keeping those cars out of here will do far more to reduce the security problem than just merely the aesthetics value.

Senator D'AMATO. It seems to me that there is another part of that as well, which we can take up in the closed session.

But, where do you perform your basic security?

PERIMETER SECURITY

Senator HATFIELD. Keeping that traffic out of the plaza simplifies the security.

Mr. WHITE. The program, as it is now developing, is, as I understand it, for us to pursue the program, the security program. Funding has been provided for in the supplemental for us to establish some more credible cost estimates based upon detailed designs, which at the moment don't exist.

Senator HATFIELD. I hope you go into that enough so that you can say to this committee, perhaps in the next fiscal year, that we will have proceeded along the security plan by that time enough so that we don't get hung up with having to go out here and start figuring from square one on Belgian building block if that's what we are going to use as a basic pattern out there, and begin to get all of that information so that you can go to bid or go to purchase, whatever, as quickly as possible.

Senator D'AMATO. Exactly.

Mr. WHITE. In that regard, Mr. Chairman, I would urge that funding, as we have requested it in the supplemental for that aesthetic improvement, be provided in addition to the funds that have been provided in the——

Senator HATFIELD. Yes; I am in full support of that. Now, let me ask two other quick questions.

SENATE SUBWAY SYSTEM

Mr. Chairman, we are going to face up to a breakdown in the subway one of these days, and we are now down to a point where we are having to create our own parts for replacement and so forth.

Where are we on the subway project, besides having presented it to the Rules Committee?

Mr. WHITE. That's where we are.

Senator HATFIELD. And that's the end of that. Well, that will be buried in the Rules Committee.

ADMINISTRATIVE OFFICE OF THE U.S. COURTS

Now, one last point. What about the Supreme Court Administrative Building?

Mr. WHITE. There is funding again provided in the supplemental bill for a feasibility study to be conducted by the Secretary of Transportation and the Architect of the Capitol in concert, and then to report back to the Public Works Committees with the feasibility of proceeding on several alternate bases in order to provide——

Senator HATFIELD. On site feasibilities?

Mr. WHITE. Yes.

Senator HATFIELD. Is there any——

Mr. WHITE. Not site feasibility, economic feasibility. The site is already selected.

Senator HATFIELD. Well, that's what I was afraid of. Is there any possibility that we can get some utilization out of that white elephant known as the Union Station?

Mr. WHITE. Well, the Union Station is committed. The Union Station has been funded. The Department of Transportation has been——

Senator HATFIELD. Well, of course, it has been funded many times.

Mr. WHITE. Well, at the moment they have I think a contract——

Senator HATFIELD. A visitor's center. You know, all kinds of things.

Mr. WHITE. That's right. But, the Union Station Redevelopment Corporation is in the process of doing that under the Secretary of Transportation.

Senator HATFIELD. It has such a stately, dignified appearance I would have thought it would have been an ideal building to remodel for the Supreme Court Administrative Offices.

CITY POST OFFICE BUILDING USE

Mr. WHITE. There is consideration being given by both the Rules Committee, which has public works jurisdiction on the Senate side, as you know, and the Public Works Committee on the House side, for utilizing the Post Office Building which is immediately to the west of Union Station.

The Postal Service, as you know, is about to——

Senator D'AMATO. Yes.

Mr. WHITE. And we have been keeping people informed and I've been going to meetings concerning that. If the Senate wants to do something about that building, the time is now.

Senator HATFIELD. It should be preserved. Thank you, Mr. Chairman.

CONSTRUCTION OF CAPITOL FENCE

Senator D'AMATO. Let me ask you, George, one further question.

If you were to make an estimate as to how long it would take to install the fence and the various posts for the security people, what is your estimate?

Mr. WHITE. I guess that from the time moneys become available for us to proceed and the various committees that have to approve and the various questions that have to be debated——

Senator D'AMATO. I'm talking about construction now. How long would it take to construct this after the committee go through their torturous procedures?

Mr. WHITE. I would say a year.

Senator HATFIELD. That means about 3 years.

Mr. WHITE. There are many considerations that need to be given to this question. The preservation of the historic Olmsted landscape, the question of whether there should be a fence is still in debate, as I understand it.

Senator D'AMATO. That's not the question. The question is, if you got the approval to move ahead, how long would it take?

Mr. WHITE. I would say 1 year or less to actually install the fence.

VEHICULAR SECURITY

Senator HATFIELD. Of course, that's a question, too, that I think we are really going to have a lot of debate on, whether we need the fence.

You see, correct me if I'm wrong, the fence is basically a pedestrian type of, not barrier but just an encumbrance, or a slight barrier. If we are really going to do this correctly, Mr. Chairman, in my view, we have to look at vehicle attack probably as much as individual attack.

And the only way you are going to guarantee—the fence is never going to stop a vehicle. But you are going to have to look at that inside perimeter of building these steel posts that are black with the little design on them to give the aesthetic attraction, like they have down at the White House——

Senator D'AMATO. That go up?

Senator HATFIELD [continuing]. So that they can either—in the areas for access, for emergency vehicles, you can lower or raise them. And, almost on that perimeter out here around the—on the far side of the plaza, certainly in some form like that so that at least you have that kind of a barrier.

Actually, if you had that barrier, I would like a fence. I think it would look attractive. We have had one around the Capitol before when Mr. Bulfinch was the Architect——

Mr. WHITE. That's correct.

Senator HATFIELD [continuing]. And I would find nothing offensive about a wrought-iron fence. But, if that raises the big problem of political debate, really we could opt for those inner barriers that would be vehicular barriers, that would be far more important to the security of the building, wouldn't it?

ENTRANCE SECURITY

Mr. WHITE. That's correct, in terms of what has come to be a major problem in the world, as we are all aware; namely, bombs and vehicles which are very destructive because you can put a lot of explosives in a given vehicle, as everybody is aware from what has already happened.

The question of the fence is the one that addresses the problem you mentioned earlier; namely, the examination of people with knapsacks and other things before they get into the building.

Senator HATFIELD. But, you could still build kiosks and other such things that they give these exotic names to as far as funneling pedestrian traffic into this——

Mr. WHITE. One could, except without a fence you have the question of control. How do you control without——

Senator HATFIELD. Well, I support both, but I'm not sure we are going to end up getting them.

Mr. WHITE. I might say in that regard, Mr. Chairman, that there is some resistance to removal of the parking on the part of a number of people as well. I think the security question is the one that speaks to that in greater——

Senator HATFIELD. The resistance is mostly on the other side?

Mr. WHITE. Mostly on the House side.

Senator HATFIELD. All right. Then, we will just fix up the half of the building to the Senate side and let the parking lot stay on the House side. [Laughter.]

Mr. WHITE. Well, it think it can be resolved but I just mention that to indicate——

Senator D'AMATO. If you could get us that study on the elevators.

Mr. WHITE. I will be glad to.

Senator D'AMATO. OK.

Mr. WHITE. Thank you, Mr. Chairman.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

Radio-TV Gallery

Question: Renovations to the space formerly occupied by the Senate Document Room are nearly complete, and personnel of the Radio-TV Gallery and representatives of the broadcast media are about to occupy the new space. This project has taken some time. When will the renovations be completed and the move occur?

Response: The work has been completed and the spaces were occupied on June 20, 1986.

Question: The renovated area includes studios, new office space for media personnel, and administrative area for gallery employees on two floors. Can you tell us the cost of that renovation to date, including the cost of in-house labor, plus the estimated final cost?

Response: An appropriation of $862,000 was provided for the Renovations to Vacated Areas, Senate Side of the Capitol Building. The obligations incurred as of June 30, 1986 are $327,348 for materials and $500,700 for hire of weekly temporary employees. At the present time, some tenant changes are being made; however, these costs will not cause the final estimated cost of this project to exceed that which was appropriated.

Question: How much of this cost has been borne by the beneficiaries of this facility, namely the broadcast media?

Response: The cost of those items furnished by the beneficiaries of this facility; that is, ABC, CBS, NBC, and Radio and News Service networks, are unknown to us. However, we do have knowledge of items furnished by the media and an abbreviated list follows: studio lights, backdrop, drapes, sound system, booth furniture, telephones, fiber optic cable and microwave dish/transmitter, and bulletin board computer system.

Question: Are similar renovations planned for the space occupied by the other press galleries? If so, do you have a cost estimate?

Response: There are no current plans for similar renovations in spaces occupied by the other press galleries.

Calder Sculpture

Question: To continue our discussion of the Calder stabile, has all other work associated with the installation of the sculpture, including labor, been covered by donations? If not, how much has been covered by your budget, and to what account were the funds charged?

Response: Costs of the construction of the Calder Sculpture, "Mountains and Clouds", being installed in the Atrium of the Hart Senate Office Building, has been financed through private donations. However, in association with the installation of the sculpture, we will incur expenses of approximately $72,000 for the construction of plywood fencing and flooring, some minor steel reinforcing, horizontal and vertical support ties, and insurance. The appropriation against which these charges are being made is "The Construction of an Extension to the New Senate Office Building," - the Hart Building account.

West Central Front

Question: Please give us an update and timetable for completion of the West Front renovation. When will work on the portico be completed?

Response: The West Central Front Project is progressing ahead of schedule and below the budget. The original date of completion called for in the general construction contract is February 1988, with an additional period of eight months to install birdproofing and the final coatings. At present, we are working with the contractor on ways to proceed concurrently with the birdproofing, coatings, and general construction. This, along with the accelerated progress made to date, indicates completion of all the initial tasks in the summer of 1987. Except for the birdproofing and coatings, all work on the portico will be completed in October, 1986. The final coating will be applied in the summer of 1987.

Library of Congress Renovation and Restoration

Question: Please give us an update on scheduled completion of the Library renovation projects. Will the work be completed on time and under budget?

Response: Phase I of the Renovation and Restoration of the Thomas Jefferson and John Adams Building, Library of Congress, is underway. Thus far the project is within the budget established for those portions of the work under construction. The overall completion of the project is expected to be on time.

Question: How much will the two month delay in the completion of Phase I construction cost?

Response: The projected two-months delay in the completion of Phase I will not affect the overall cost of the project since readjustments have been made in the overall schedule to allow the completion of Phase II to remain on schedule.

Gramm-Rudman-Hollings

Question: Please describe for the record the effects of the Gramm-Rudman-Hollings sequestration on your operations.

Response: The Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) requires that fiscal year 1986 appropriations be reduced by 4.3 percent. Funds in the amount of $93,296,000, including $670,000 of carry over authority, have been appropriated in fiscal year 1986 to the Architect of the Capitol for House, Senate and joint items and for the Botanic Garden. A 4.3 percent reduction to this amount requires a total reduction of $4,012,000.

The amounts that have been recommended for reduction can be divided into two categories: Personnel Compensation and Benefits, and all other programs including Annual Maintenance and Nonrecurring Programs. Approximately 41 percent, or $1,659,000, of the proposed reductions are from Personnel Compensation and Benefits, and the remaining 59 percent is from all other programs. The reductions in Personnel Compensation can be achieved by holding positions vacant throughout the year. The other reductions can be achieved by deferring certain projects and by slightly reducing the maintenance level throughout the year. A more detailed analysis of the proposed reductions' effect on the Architect of the Capitol's operations follows.

Appropriation	Reduction	Effect
Salaries......................	$233,000	Reductions in this appropriation will require placing a hold on any vacant positions that may occur during the year and limiting overtime work. The need to hold vacant jobs open will reduce the manpower available to perform administrative functions over the Architect's operations. The limit on overtime work will further reduce manpower available and will impact on the overall efficiency of the Architect's operation. An annual lapse rate of 2.4% will be required to achieve these savings.
Contingent Expenses...........	4,000	This reduction should have no significant affect on fiscal year 1986 needs because there are sufficient carry over funds to provide for the needs of this appropriation. Our current needs for warehouse space require appropriations of approximately $150,000 per year. Other unforeseen expenses and the costs of surveys and studies are funded by this account. Therefore, the fiscal year 1987 appropriation request of $235,000 is a necessity.
Capitol Buildings............	473,000	More than half of this reduction, $240,000, will be from personnel compensation and benefits. This will require holding vacant jobs open, reducing overtime and reducing related personnel benefits. The reductions caused by holding vacancies open and limiting overtime work will create shortages in our maintenance force and reduce our flexibility to accommodate certain workload needs at times when the work would not disrupt Congressional operations. These savings will be achieved by requiring an annual lapse rate of 3.5%. An additional $200,000 has been recommended to be reduced from annual maintenance needs. Specifically, $25,000 each will be reduced from the House and Senate Restaurant equipment accounts, and $150,000 will be reduced from the electronic system maintenance

Appropriation	Reduction	Effect
		account. These reductions will reduce the frequency with which the restaurants' equipment and the electronic systems are serviced or it may delay the replacement of obsolete equipment. Finally, a small reduction has been proposed in the labor costs for two non-recurring projects. This will require the in-house forces to perform the project work in addition to regularly scheduled maintenance work.
Capitol Grounds...............	$151,000	Nearly 30% of the required reduction is recommended to be cut from temporary pay. This will limit the flexibility to accommodate seasonal needs such as summer lawn care and fall leaf raking. It is also recommended to defer the $86,000 project for repairing of the parking lot on Square 639. Patch repairs to the lot's surface can be made as required. The balance of the reduction can be achieved through savings in the acquisition of a front end loader, for which competitive bids have been received.
Senate Office Buildings......	$48,000	The majority of the proposed reduction results from deferring portions of two non-recurring projects. An amount of $300,000 can be deferred in the "Replace Sections of Air Conditioning Systems, Russell Building" project. The work must eventually be performed, but this amount can be temporarily deferred. An additional $508,000 can be deferred from the "Senate Annex Demolition" funds that were reappropriated for fiscal year 1986. The Plaza Hotel will not be vacated during fiscal year 1986 and the funds cannot be used. The balance of the required reduction will be taken from "Annual Furniture and Furnishings". The effect that this will have on furnishing Senate suites is to restrict the availability of new or replacement furniture.

Appropriation	Reduction	Effect
House Office Buildings.......	950,000	The entire proposed reduction for House Office Buildings is derived from personnel compensation. This will require holding vacant jobs open and limiting the amount of overtime work that is performed. An annual 4.8% lapse rate will be enforced during the year to achieve these savings.
Capitol Power Plant...........	$1,010,000	The majority of the proposed reduction, $980,000, can be achieved through savings in the production of steam and chilled water and increased reimbursements to the Capitol Power Plant appropriation. The balance of the proposed reduction, $30,000 will be achieved by requiring a small annual lapse rate of 1%. It is very important to note that the projected cost for electrical energy during fiscal year 1986 indicates that there will be a shortfall of $2,000,000. The 4.3% reduction of $1,010,000 makes it more critical for the requested supplemental appropriation to be approved.
Library Buildings and Grounds.	249,000	All of the proposed reductions for the Library Buildings and Grounds are to be derived from personnel compensation and benefits and annual recurring maintenance. An annual lapse rate of 1.3% will be required to achieve savings in that area. Further reductions have been identified in annual maintenance accounts, supplies and materials accounts, and equipment accounts. These reductions will mean that maintenance work and inventory levels will operate at a reduced level.
Botanic Garden................	94,000	All of the proposed reductions from the Botanic Garden will be derived from personnel compensation and will require an annual lapse rate of 4.9% to be achieved. The reductions will mean that vacancies and reduced overtime work will lower the level of service that the Botanic Garden offers the public and the Congress.

Question: How will it impact care and maintenance of the Senate Office buildings and the Capitol?

Response: More than half of the required reduction of $473,000 for Capitol Buildings, $240,000 will be from personnel compensation and benefits. This will require holding vacant jobs open, reducing overtime and reducing related personnel benefits. The reductions caused by holding vacancies open and limiting overtime work will create shortages in our maintenance force and reduce our flexibility to accommodate certain workload needs at times when the work would not disrupt Congressional operations. These savings will be achieved by requiring an annual lapse rate of 3.5%. An additional $220,000 has been recommended to be reduced from annual maintenance needs. Specifically, $25,000 each will be reduced from the House and Senate Restaurant equipment accounts, and $150,000 will be reduced from the electronic system maintenance account. These reductions will reduce the frequency with which the restaurants' equipment and the electronic systems are serviced or it may delay the replacement of obsolete equipment. Finally, a small reduction has been proposed in the labor costs for two non-recurring projects. This will require the in-house forces to perform the project work in addition to regularly scheduled maintenance work.

The majority of the required reduction of $848,000 for Senate Office Buildings results from deferring portions of two non-recurring projects. An amount of $300,000 can be deferred in the "Replace Sections of Air Conditioning Systems, Russell Building" project. The work must eventually be performed, but this amount can be temporarily deferred. An additional $508,000 can be deferred from the "Senate Annex Demolition" funds that were reappropriated for fiscal year 1986. The Plaza Hotel will not be vacated during fiscal year 1986 and the funds cannot be used. The balance of the required reduction will be taken from "Annual Furniture and Furnishings". The effect that this will have on furnishing Senate suites is to restrict the availability of new or replacement furniture.

Question: How many employees do you plan to lay off or furlough?

Response: At this time there are no plans to lay off or furlough employees. The required reductions have been accomplished by the means outlined on the previous table.

Contingent Expenses

Question: You are requesting $235,000 for FY87 Contingent expenses. You ended up with $96,000 for FY86, after a $4,000 sequestration. Please provide a table showing FY 86 obligations to date, and how much money you carried over from FY85 into FY86.

Response:

Obligations from Fiscal Year 1986 Annual Appropriation

Item	Obligations to 6/30/86
Logistic Arrangements - King Bust Ceremony.......	$ 598.00

Obligations from Prior Year "No Year" Balance

Item	Obligations to 6/30/86
Emergency Repairs - 6 inch Water Supply, Rayburn Building..............................	$ 8,000.00
Conservator's Evaluation - Plaster Model of Statue of Freedom..........................	830.00
Consulting Services - Works of Art in Rotunda....	1,000.00
Feasibility Study to Replace Capitol to Hart Subway..................................	1,866.00
Warehouse Rental (Including Utilities)..........	150,546.82
Subtotal................	162,242.82
Total Obligations to 6/30/86..........	$ 162,840.82

As of September 30, 1985, $310,740 remained available for obligation during fiscal year 1986. Of the funds remaining available for obligation, a total of $50,049 was allotted for specific projects as of September 30, 1985. Approximately $150,000 of that amount will be required for the rental of warehouse space, authorized by 87 Stat. 704. The balance of $110,000 available for other projects was augmented by the $96,000 allowed for fiscal year 1986. The appropriated amount of $100,000 was reduced by $4,000 pursuant to P.L. 99-177. Thus there was a total of approximately $206,000 available for unforeseen expenses and surveys and studies in fiscal year 1986.

Question: Please tell us why you are requesting $235,000 for FY87. The contingent fund is intended for emergencies. What emergencies do you anticipate that will cost so much?

Response: The "Contingent Expenses" appropriation was established for several purposes. In addition to contingency type projects of an unforeseen or emergency nature, the Architect is authorized to use these funds for the purpose of making studies or surveys and for the costs associated with leasing warehouse space.

The Architect currently leases 47,566 square feet of space at an estimated cost of nearly $150,000. The current lease must be renegotiated at the end of the year, with an expected rise in the cost of warehouse rental. In addition to the anticipated rise in square foot costs, the Architect may be forced to lease additional space for warehouse purposes. It has become apparent recently that the need for additional office space within the Capitol Complex will have an affect on the amount of space available for the storage of materials for cleaning and maintenance of the buildings. If space now used for storage is determined to be needed for office space, then additional warehouse space will be required to store the items necessary for upkeep of the buildings.

The requested appropriation level of $235,000 would provide sufficient funding for warehouse leasing and a marginally adequate annual reserve for surveys, studies, and unforeseen expenses. If the new warehouse leasing cost is significantly more that the current rate, additional funding will be required to provide a sufficient level for this appropriation.

Question: Since rental of warehouse space is a regular, annual expense, shouldn't we create a separate account for it and reduce contingent expenses?

Response: When the House of Representatives Subcommittee on Legislative Branch Appropriations marked up the fiscal year 1987 Legislative Branch Appropriations Bill, it recommended that the funding and authority for warehouse rental be shifted to the Capitol Buildings appropriation. The House Subcommittee recommended an annual appropriation of $100,000 for Contingent Expenses, the fiscal year 1986 level before P.L. 99-177 sequestrations.

Question: Please provide a list of what you store and how much of it in the warehouse space you describe on page 4.3 in your justification.

Response: The following table indicates the space and storage allocations requested.

Space Allocations

	Square Feet	Materials Stored
Senate Office Buildings......	26,990	Furniture, furnishings, supplies
Doorkeeper, House of Representatives............	8,692	Files, boxes
Construction Management Branch.....................	2,809	Supplies, equipment
Capitol Buildings............	2,538	Paper supplies
Subtotal................	41,029	
General Loading and Working Area......................	6,537	
Total Square Feet....	47,566	

West Central Front

Question: You have a request pending before this subcommittee for a $45,000 reprogramming to fund a study by Amman & Whitney of renovations to the West Front terraces. What is the scope of the work you envision for this project? Will we be undertaking a major reconstruction or cosmetic facelift?

Response: There are obvious structural, water penetration, and material deterioration problems on the Olmsted terraces. The proposed study, which has been approved by the Commission on the West Central Front, will investigate the extent of the problems and propose a solution or alternate solutions to each with its related cost. Based on the findings of the study, a corrective program will be recommended to the Commission and Congress should that be deemed necessary.

Dirksen Senate Office Building South Cafeteria

Question: There seems to be a lot of unused space in the Dirksen Building South Cafeteria. What are your further plans, if any, for that area? Do you plan similar renovation for the North Cafeteria? How will the two be different, if at all?

Response: The Dirksen Building South Cafeteria is currently being used for a buffet luncheon. This service has been very popular with Staff and the public and requires that much of the South Cafeteria dining area be used for this purpose. This facility offers an excellent opportunity to provide service to the public who, heretofore, were not allowed in the dining areas during the heavy lunch period. In addition, overflow seating from the North Servery is provided. The Director of Food Services, Mr. John Hitzel, has suggested some usages for the South Cafeteria area. They are:

- Provide a permanent buffet facility.
- Provide overflow seating capacity for the North Servery.
- Provide for a retail bake shop in the area of the former Carry-out.
- Provide employees' locker/restroom facilities.
- Provide storeroom to support the main kitchen.
- Provide a pizza production and service facility.
- Provide an extended passageway to the north side of the Dirksen Building.

This proposal is being reviewed and evaluated by the Architect. Regardless of the final design and scope of the facility, appropriations will need to be requested in subsequent fiscal year(s).

Capitol Security Program

Question: With whom have you conferred regarding security improvement to the Capitol Building?

Response: Security improvements are normally discussed at Capitol Police Board meetings. However, the current proposal for various electronic, electrical, mechanical and physical barriers around the Capitol Square, are largely a result of police personnel recommendations and have not been subject to architectural and engineering review nor the development of credible cost estimates.

Question: Does your request for $280,000 for addition and replacement of X-ray package inspection machines fit into some larger scheme?

Response: The X-ray package inspection machines are requested by the Capitol Police to accommodate the need to inspect parcels at greater numbers of entrances to the Capitol Complex of buildings. The additional units will supplement the existing X-ray package inspection system currently in use.

Question: How many X-ray machines will $280,000 purchase?

Response: There are eight (8) X-ray machines at $35,000 each included in this request.

Question: Are you integrating your plans for East Plaza improvements with any security plans?

Response: The proposed East Plaza improvements are a part of the overall security plan in that removing vehicles from the East Plaza provides an increased distance from the Capitol in case of a vehicle explosion. The improvements will become part of the perimeter security fence design for the Capitol Square.

Capitol Buildings

Question: You request $560,000 to conserve the Rotunda Frescoed Canopy, and later in your justification, $290,000 for conservation of Rotunda Frescoed Frieze. Do these requests simply split the $800,000 you requested last year for the same work?

Response: The $290,000 for the restoration of the frieze was appropriated in fiscal year 1986 and the work is in progress. The current request is for $560,000 to conserve the frescoed canopy which includes a 10% escalation in cost since the 1986 request.

Question: What accounts for the $50,000 increase?

Response: The $50,000 increase is a 10% increment to account for inflation since the last request. Because of these increasing costs, the canopy project should begin as soon as possible.

Question: If the subcommittee agrees to the request for restoration of the Rotunda Canopy, when will the work begin, and when will it conclude?

Response: The work on the canopy could begin as early as January 1, 1987, after the work on the frieze is completed. Erection of the scaffold will take approximately six weeks prior to that date. The conservation work will take 12 to 18 months to complete.

We are informed that no events are planned in the Rotunda for the celebration of the bicentennial of the Constitution during the aforementioned restoration period. The key date for the celebration of the bicentennial of the Congress will be March 4, 1989.

Hart Building

Question: How much work remains to be done in the Hart Building catering facility, and what will that work entail? When will the facility be ready for use?

Response: The work that remains to be completed at the catering facility in the Hart Building includes the provision for adequate toilet rooms, a vestibule which will control the entry to the 9th-floor facility, provision of safety barriers on the balcony to allow that area to be used by the public, some enhancement of the serving and preparation areas, and upgrading of interior finishes in accordance with the original design concept. All of the work can be accomplished by in-house construction branch or maintenance personnel.

The facility is already in frequent use. However, should the Senate Office Building Commission accept the forthcoming recommendations establishing priorities for completing remaining elements of the Hart Building, the 9th-floor facility will be finished in about one year.

Question: What progress has been made in the multi-media hearing room in the Hart Building since last year, and when will the room be completed? What services will this room provide that existing hearing rooms do not?

Response: Work was suspended in the multi-media hearing room last year when the cost reached the authorized spending limit established by the Senate Office Building Commission. However, now that the Hart Building is substantially complete a report will shortly be given to the Commission proposing priorities for the uses of already appropriated funds in completing remaining elements of the program.

Should the Commission so agree, the multi-media room could be ready in eight months. The hearing room is equipped with built-in recessed studio lighting, sound-proofed media control rooms, remote locations for media equipment, and can accommodate large public hearings. It is the only Senate hearing room thus equipped.

Senate Office Buildings

Question: You mentioned in the House hearing that use of private sector trash hauling could save money. Please provide us with your best estimate of these savings.

Response: This Office will release an Invitation for Bid (IFB) in July 1986 to commence the process to have our solid waste collected by an outside contractor. Until such time as we obtain bids from prospective companies, we are without the information to predict with any accuracy the amount of savings that would be derived from a contractual arrangement as opposed to an in-house operation. However, we have identified an approximate cost for our present in-house operation and estimated what we feel to be an approximate cost for a contractual agreement. On the basis of that estimate we have determined that the savings could be in the range of $40,000 to $60,000 per annum. By eliminating the procurement of two trash compactors and a supporting flatbed truck every five years, and the amortizing of the cost thereof, we estimate a savings of $25,000 per annum, which is included in the total estimated savings.

Capitol Buildings

Question: What has happened to the suggestion made in last year's hearings that the positions for elevator operators in the Capitol be eliminated?

Response: During last year's hearings, the question posed was to the status of efforts to scale back on the number of elevator operators throughout the Capitol complex. Our response was that at present there were 49 elevator operator positions on the Architect's payroll. Thirty-five were assigned to the Capitol Building, 15 on the House Side and 20 on the Senate Side, and 14 assigned to the House Office Buildings. This represented a net decrease of 103 elevator operator positions since fiscal year 1977. The reduction in the number of authorized elevator operator positions over this period of time has been made by the House and Senate Committees on Appropriations. Therefore, we were of the opinion that no further action was required by this office.

Bronze Doors

Question: What about cleaning and repairing the East Front bronze doors will cost $70,000?

Response: The $70,000 estimate includes cleaning, removing varnish accumulation from the sculptured surface details of the six 14' x 7' foot doors. All losses will be repaired and the bronze repatinated on all three sets of doors. The treatment will provide a consistent finish and restore the aesthetic integrity of these historically and artistically important doors designed by Thomas Crawford, William Rinehart and Randolph Rogers.

Question: How long will the restoration take to complete?

Response: One year will be needed to restore all three sets of doors.

Capitol Power Plant

Question: What is it about the repairs to the three Wickes Coal Fired Boilers that will cost $58,000? Is that for parts and labor alone?

Response: The $58,000 requested is for materials and labor to replace or repair the boiler water tubes that are subject to failure, and for the necessary materials to replace the safety relief valves.

Question: What about connecting East and West Substations electronically will cost $55,000? (Particularly since labor will come from Power Plant staff.)

Response: The electrical materials required to interconnect the East and West substations will cost $55,000. This is a safety measure. In case a fault were to cause either substation to fail, the remaining substation could absorb part of the load through this interconnection.

QUESTIONS SUBMITTED BY SENATOR BUMPERS

Security Improvements

Question: What security measures are currently under consideration for the Capitol Complex? What are the current estimates for these improvements?

Response: At the request of the Joint Congressional Leadership a task force was appointed, consisting of the Senate and House Whips (Messrs. Simpson, Cranston, Foley and Lott) to develop an overall security plan for the Capitol Complex. Recommendations and rough cost estimates have been made by the task force. The proposed security plan includes: (1) establishment of a secured perimeter around the Capitol building ($9,321,000); (2) establishment of a delivery center ($1,638,000); (3) enhancement of office building and garage security ($1,643,000); and (4) enhancement of bomb-detection capacity ($420,000).

In total, the $13 million plan would entail $10.9 million in non-recurring construction and equipment costs and $2.1 million in recurring personnel-related costs for 87 more positions.

Question: What will be the role of the Architect of the Capitol in implementing the proposed security enhancements for the Capitol Complex?

Response: The 1986 Urgent Supplemental Appropriation Bill provides $250,000 to the Architect of the Capitol for the development of detailed design and cost estimates associated with the construction aspects of the congressional joint leadership proposal to improve security of the Capitol Complex. The Bill also provides for the transfer of funds from the Capitol Police Board to the Architect of the Capitol to enable the Architect to carry out appropriate projects to implement an improved security plan after it has been approved by the Senate Committee on Rules and Administration, the Senate Committee on Appropriations, the House Committee on Appropriations, the House Committee on Public Works and the House Committee on Administration.

Electrical Energy Supplemental

Question: You have a supplemental item for $2.0 million for electrical energy. Where is this consumption increase occurring? Can you document these consumption increases?

Response: The following table compares actual and projected consumption for fiscal years 1984, 1985, 1986, and 1987.

Electrical Energy
Actual and Projected Consumption

Location	FY 1984 KWH	FY 1985 KWH	% Increase of KWH Over FY 84	FY 1986 Estimated KWH FY 85 Plus 4%	FY 1987 Estimated KWH FY 86 Plus 4%
CAPITOL	14,658,800	15,774,621	7.61	16,405,606	17,061,830
DSOB	11,858,940	12,071,240	1.79	12,554,090	13,056,253
RSOB	8,026,770	8,782,611	9.42	9,133,915	9,499,272
LHOB	7,366,890	7,468,640	1.38	7,767,386	8,078,081
CHOB	7,489,510	7,714,900	3.01	8,023,496	8,344,436
RHOB	27,426,240	28,753,150	4.84	29,903,276	31,099,407
HOBA #1	1,706,900	1,854,700	8.66	1,928,888	2,006,044
HOBA #2	11,509,230	12,269,990	6.61	12,760,790	13,271,221
CAP PWR PLT	78,694,940	86,445,910	9.85	89,903,746	93,499,896
LOC TJB	10,990,176	10,746,780	- 2.21	11,176,651	11,623,717
LOC JAB	10,981,610	9,456,340	-13.89	9,834,594	10,227,977
LOC JMMB	58,675,096	58,732,100	0.10	61,081,384	63,524,639
SEN GARAGE	1,280,300	1,338,100	4.51	1,391,624	1,447,289
IMMG BLDG	819,370	454,500	-44.53	472,680	491,587
PLAZA HOTEL	457,164	580,140	26.90	603,346	627,479
400 N CAP	5,827,200	4,563,100	-21.69	4,745,624	4,935,449
MISC LOC	631,474	669,542	6.03	696,323	724,177
ST LIGHTS	272,388	272,385	.00	283,280	294,612
TRAFFIC SIG	71,088	70,880	- 0.29	73,715	76,664
HART BLDG	20,913,020	22,656,670	8.34	23,562,937	24,505,454
501 1 ST SE	.....	130,050	...	135,252	140,662
TOTAL	279,657,106	290,806,349	3.99	302,438,603	314,536,147

The following analysis indicates the major factors contributing to the changes in electrical energy consumption between fiscal year 1984 and fiscal year 1985.

MAJOR FACTORS CONTRIBUTING TO FISCAL YEAR 1985
ELECTRICAL ENERGY CONSUMPTION CHANGES

Building	Percent	Changes in Building Activity
U. S. Capitol	+ 7.6	Construction activities on the West Front required two 400 amp electrical services for operation of heavy equipment and lighting used for night construction work and a 200 amp service for operation of an air compressor unit.
Russell SOB	+ 9.4	This increase reflects the installation of office automation systems in most of the Senator's suites and Committee Offices and supplemental cooling required for many installations.

Rayburn HOB	+ 4.8	New equipment was installed in the Print Shop and additional lighting operated in the building.
HOBA #1	+ 8.6	One-fourth of the building space was reassigned from office to Page School dormitory space resulting in longer and more intense use of electrical power. Also, additional office equipment and computer systems were installed in the building.
HOBA #2	+ 6.6	Computer equipment in the House Information Systems increased by approximately 40%. Also, there was a significant increase in the installation of office equipment throughout the building.
Capitol Power Plant	+ 9.8	This increase is directly related to cooling degree days, increased use of occupied space in the Hart Building and the installation of computer equipment throughout all buildings.
LOC TJB	- 2.2	Reduction due to the relocation of activities in anticipation of the Renovation and Restoration project.
LOC JAB	-13.9	Reduction due to the relocation of activities in anticipation of the Renovation and Restoration project.
400 N. Capitol	-21.7	Reduction due to the replacement of computer equipment that operates with much greater electrical efficiency.
Hart SOB	+ 8.3	This increase reflects the increased use of occupied space and the installation of office automation systems in most of the Senator's suites and Committee offices.

Contingent Expenses

Question: The request for fiscal year 1987 is $235,000. Last year, we provided $100 thousand, $4 thousand of which was sequestered. Provide the usual table for the record, detailing the expenditures.

Response: The following table was supplied for the record.

Items funded from Contingent Expenses, FY 1985	Obligations	Funds Allotted but not yet Obligated
Extend Central Chilled Water System, Rayburn Building....	$ 607	.....
Repairs to Bomb Damage..................................	363	.....
Construct 2 Guard Houses, Capitol Grounds, East Plaza....	137	.....
Rockefeller Pedestal, Base and Socle.....................	2,500	.....
Study to Modernize and Improve Senate Subway, Phase II...	35,013	.....
Ford Pedestal, Base and Socle............................	2,500	.....
Emergency Repair to 8 inch Water Supply Line, Senate Legislative Garage..............................	1,001	.....
Installation of Computer Cable, Rayburn Tunnel...........	13,570	.....
Inspect Equipment for Senate Subway......................	206	.....
Service Elevator Platform, Room B31F, Russell Senate Office Building........................	.....	$ 29,000
Air Sampling and Training for Handling Asbestos..........	2,240	4,760
Traffic Study, Senators' Elevators, Dirksen Senate Office Building........................	975	25
Soil Investigation.......................................	5,735	.....
Alterations to Room S-152, Capitol Building..............	14,071	13,829
Warehouse Rental...	116,422	2,435
Total Obligated and Unobligated - Fiscal Year 1985...	$195,340	$ 50,049

Question: How much were you able to carry over into FY 1986? Can you estimate how much you will be able to carry over into FY 1987?

Response: As of September 30, 1985, $310,740 remained available for obligation during fiscal year 1986. Of the funds remaining available for obligation, a total of $50,049 was allotted for specific projects but had not yet been obligated. This left a balance of only $260,691 for new projects as of September 30, 1985. Approximately $150,000 of that amount will be required for the rental of warehouse space, authorized by 87 Stat. 704. The balance of $110,000 available for other projects was augmented by the $96,000 allowed for fiscal year 1986. The appropriated amount of $100,000 was reduced by $4,000 pursuant to P.L. 99-177. Thus there was a total of approximately $206,000 available for unforeseen expenses and surveys and studies in fiscal year 1986.

During the first nine months of fiscal year 1986, $162,841 has been obligated including $150,547 for warehouse rental, leaving an unobligated balance of $247,899. Of that amount $4,000 must be sequestered to fulfill the obligations of P.L. 99-177. Funds that have been allotted but not yet obligated as of June 30, 1986, amount to $56,454. Thus, the total availability for the remainder of the fiscal year for contingencies, studies, surveys, and additional warehouse cost is $152,934. It is anticipated that some portion of that amount will be utilized during fiscal year 1986. In addition, any unobligated funds that were appropriated in fiscal year 1986 will lapse because the funds were not made available on a "No Year" basis. This means that any work that must continue into fiscal year 1987 will then have to be charged against any "No Year" balances that may be available.

Senate Office Buildings

New Positions

Question: You have requested seven additional positions in the Senate Office Buildings appropriation. Would you explain the need for these jobs?

Response: In fiscal year 1983, the initial increase (80 positions) in staffing requirements to accommodate additional structural, mechanical , and domestic care, and associated functions due to occupancy of the newly constructed Hart Senate Office Building, was requested and authorized. At that time, it was stated, "Upon full occupancy of the Hart Building, additional staffing will be required and will be requested in fiscal year 1984."

This request was not presented in 1984 or subsequent years, since it could not be determined over this period that additional staffing was needed to keep abreast of the increased workload brought about by the structural, mechanical, and domestic care of the Hart Building. However, now that the Hart Building is fully occupied and we have had some experience with the maintenance and cleaning workload demands, it is now apparent that the maintenance areas of painting and cleaning are continuously falling further behind schedule. Therefore, in the area of painting, where the authorized staff has not been increased to care for the Hart Building, two additional painters (WG-9) are requested in fiscal year 1987. The present paint shop staff totals fifteen positions and this request, if approved, will increase the staffing authorization to seventeen. The addition of the Hart Building's 1,093,175 gross square feet has added a substantial workload requirement of painted surfaces to be maintained. At any given time there continues to be a backlog of work, specifically, touch-up and special work orders consistently stay in arrears, anywhere from fifteen to thirty jobs. Corridor painting is beng accomplished on a touch-up basis as opposed to a more appropriate and desirable method of repainting.

The area of cleaning requires five additional laborers (WG-3) in fiscal year 1987. These positions are responsible for the cleaning of corridor floors which consist of terrazzo finishes and carpeted areas, removal of trash, and cleaning committee rooms, public restrooms, elevators, stairwells, and other miscellaneous areas. Some of these areas in the Hart Building are difficult and consequently more time-consuming to keep clean, at least, to what is considered acceptable level.The two most demanding and time-consuming tasks are cleaning of carpet, almost the entire floor area of the Hart Building is carpeted, and floors and walls of public restrooms. These particular areas, due to heavy use and the type of finishes installed, require a concentrated and continuous effort to provide the level of maintenance that is desirable in the Senate Office Buildings.

$1.4 Million Reprogramming Replenishment

Question: You have requested $1.4 million as a replenishment of a reprogramming for electrical wiring and ADP equipment. What was this for and why do we need to replenish the reprogramming?

Response: In August 1984, a reprogramming request of $300,000 was approved to provide for the electrical wiring required to install the first increment of computer systems in Senator's suites. This first effort was estimated to be completed in January 1985

The Committee on Rules and Administration notified the Architect's office that during the remainder of fiscal year 1986, additional computer system installations will be requested and approved for the remaining Senatorial suites, as well as for Committees. Because of the heat and noise released by this equipment in occupied spaces, air conditioning modifications and enclosure of the equipment will be required for the majority of the installations. Also, approximately twice as many terminals will be installed in the 75 office suites where terminals are already provided, and special tables suitable for computer terminals will be needed at most of the locations.

Funds in the amount of $1,200,000 that were available in the project "Replace Sections of Air Conditioning Systems, Russell Building," were reprogrammed in December of 1984 by delaying work on that air conditioning renovation project. Replenishment of these funds on a "No Year" basis was requested in the fiscal year 1986 budget so that the air conditioning project might continue. The Committee approved replenishment of $300,000. The balance of $900,000 is requested to be replenished on a "No Year" basis so that this necessary project may proceed without further delay. An additional $500,000 was requested and approved in October 1985 to be reprogrammed to complete the installation of ADP equipment in Committee spaces. These funds are also requested to be replenished on a "No Year" basis at this time.

Library of Congress Renovation

Question: Is the Library cooperating with moving staff and operations to give you room to work?

Response: Yes, the Library has cooperated in all phases of the work thus far.

LIBRARY OF CONGRESS

STATEMENT OF DANIEL J. BOORSTIN, LIBRARIAN OF CONGRESS

ACCOMPANIED BY:
WILLIAM J. WELSH, DEPUTY LIBRARIAN OF CONGRESS
DONALD C. CURRAN, ASSOCIATE LIBRARIAN OF CONGRESS
JOSEPH E. ROSS, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE

STATEMENT HIGHLIGHTED

Senator D'AMATO. Next is the Librarian of Congress. It's good to see you. We don't have to give you the general admonition.

We welcome you here and those who have accompanied you and look forward to your testimony. We accept your testimony in full, though if you care to highlight it, please proceed.

Dr. BOORSTIN. Mr. Chairman, my statement is brief. I would like to read it and put the rest of it into the record.

Senator D'AMATO. Certainly.

Dr. BOORSTIN. Mr. Chairman, and members of the committee, we appreciate this opportunity to appear before this committee to describe the needs of the Library of Congress for the fiscal year 1987.

FISCAL YEAR 1987 INCREASES

At the very beginning, I want to thank the Senate, and especially the members of the Appropriations Committee, for their recent action to restore $867,000 to the Library's budget for the last quarter of the fiscal year. We are requesting that this funding for the purchase of books, the cataloging of books, and for evening and Sunday services in the general reading rooms be made available for 1987 also. And that is really the burden of my request.

CONSTITUTION BICENTENARY

Eleven months from now, during the fiscal year 1987, the Nation will celebrate the bicentenary of our Constitution. It was exactly 199 years ago that the Americans of the former colonies were selecting delegates to the Constitutional Convention which opened with a quorum in Philadelphia on May 25, 1787.

The Library of Congress Building, the most recent building, as you know, is a monument to Madison, the leading chronicler of that meeting and the principal architect of the Constitution. That building, and all of the Library of Congress, our collections, our staff, are dedicated to the proposition that free government is based on free, copious, and current access to knowledge.

This greatest republic, Mr. Chairman, has been served by the greatest of the world's libraries. We want to keep our library imminent and preeminent.

BUDGET CUT

As this committee is aware, our regular budget for the current year has been cut by $8.4 million below that for the previous year, even before the Gramm-Rudman-Hollings Act brought this cut to a total of more than $18 million.

The restoration of $867,000 in the Urgent Supplemental Appropriations Act has eased the pressure on our book budget and will allow us, when it becomes law, to reopen the reading rooms evenings.

SALARIES AND EXPENSES

As you know, Mr. Chairman, the House Subcommittee on Legislative Branch Appropriations have marked up their bill for fiscal 1987. For the Library of Congress "Salaries and expenses" accounts, the Committee approved an appropriation of $136,339,000, including authority to obligate $4.7 million in receipts.

The Library would urge that this committee support funding approved at the House subcommittee level. For all activities of the Library of Congress, the subcommittee is recommending $234,700,000, which is $4 million less than that appropriated in fiscal 1984.

BOOK PURCHASE ACCOUNT

There are, however, four activities that need to be addressed separately and were not included in the House subcommittee markup. The House subcommittee recommendation provides an increase of $175,000 in the "Book purchase" account, but did not include the $500,000 in the supplemental for 1987.

The costs for books and periodicals subscriptions have increased dramatically. Prior to the action on the urgent supplemental appropriation, we made emergency plans to cancel book purchase orders for some 25,000 titles of current materials and to cancel subscriptions to nearly 5,000 periodical titles. These would all be items which would be more costly to acquire, if they could be acquired, in future years.

We desperately need the $500,000, Mr. Chairman, if we are to continue to be the world's preeminent library.

CATALOG ACTIVITIES

We cannot catalog titles we do not acquire. Libraries across the country are dependent on our cataloging information. It is estimated that 75 percent of the cataloging in the average research library is based on the Library of Congress cataloging.

And this was substantiated in a recent article in the Chronicle of Higher Education, which quoted the librarians from different parts of the country, indicating percentages, from 70 percent to 90 percent of their cataloging, which was taken care of by the Library of Congress.

Wasteful duplication and long delays in cataloging across the country will be the result, to say nothing of the fact that some of our Nation's most prolific scientists and scholars will not even know of current foreign research in their areas of investigation if we are not able to keep our collections current.

The urgent supplemental included the $120,000 for cataloging activities. The House subcommittee markup included funding to continue cataloging areas that are most important to us now—Chinese, Japanese, and Korean materials—but did not fund cataloging activities for other library materials.

We are asking the Senate to include $430,000 to provide full 1987 funding of the cataloging activities approved in the supplemental.

GENERAL READING ROOM SERVICE HOURS

Probably the most visible and audible result of budget cuts at the Library of Congress was the curtailment of hours of services in the general reading rooms. This is the most painful action that I've had to take as Librarian, Mr. Chairman. I did it most reluctantly and only after we had to adjust to a second round of cuts and could no longer protect this activity at the expense of our collections, including purchase, cataloging, and preservation.

As a result of the action on the urgent supplemental, we are actively seeking to reemploy deck attendants and reading room personnel and expect to resume evening and Sunday service within the next 2 weeks when that appropriation becomes law. The House markup, however, does not provide for the funding of this activity on a 12-month basis. We are, therefore, asking the Senate to approve $650,000 for this purpose.

PRESERVATION OF LIBRARY MATERIALS

Finally, under the Library of Congress salaries and expenses, we are requesting that the Senate approve $320,000 above the House subcommittee recommendation for the preservation of library materials, especially for binding materials received. Our preservation program, which is pioneering for the world, has suffered during the past year because of budgetary restrictions. We are experiencing a serious backlog of material awaiting binding. We cannot put books on the shelf and make them available to readers until they are properly bound.

The increase in the House markup of $3,687,000 for books for the blind and physically handicapped is most welcome.

CONGRESSIONAL RESEARCH SERVICE

We are very pleased that funds for the Congressional Research Service in the House markup were increased for fiscal 1987. My colleague, Joe Ross, the recently appointed Director of the Congressional Research Service, will speak to this point and the other points in the Congressional Research Service.

CONGRESSIONAL RESEARCH SERVICE VACANCIES

We have a number of vacancies in the Congressional Research Service which make it difficult for us to provide the Congress the expert advice which it needs. For example, we have senior analyst vacancies in veterans affairs, in intelligence and arms control verification, and in terrorism. We have senior specialist vacancies in election law, Soviet affairs, international economics, and price economics.

BASIC COLLECTIONS AND SERVICES VITAL

For our Nation and the world, these are times that try men's minds, that tax our consciousness, our resources of wisdom, knowledge, and information. Threats from without and problems within demand every shred of the most ancient wisdom and the most recent information.

For man, perhaps most, peoples of the Earth, those behind the Iron Curtain and in other enslaved nations, this Library, the Library of Congress, remains the only place where they can freely learn about themselves. If funds cannot be restored for basic collections and services, then the Library of Congress, the Nation's library, the world's only comprehensive free library, your main resource of knowledge and information, will deteriorate. The Library of Congress is a living organism. Life interrupted is life lost.

We can prevent irreparable damage to the integrity of our collections if the Library receives the funds to keep our acquisitions current and cataloging up to date. Knowledge is constantly growing, in constant need of nourishment and renewal. And we would not have it otherwise.

One of the basic tenets of our nearly 200-year old Constitution is the freedom to petition our representatives in Congress. The strength and the weakness of the cause which I espouse, Mr. Chairman, on behalf of the Congress' Library and the world of learning, is precisely that we do not speak for any special interest or any one party or opinion. The cause of knowledge is the most general of all interest for a free people.

The beneficiaries of knowledge, of the information supplied to Congress and the free explorers of knowledge, are everywhere. Their largest numbers are still unborn. We will fail in our duty to our posterity if we do not hand on to them the fully stocked, properly organized treasure of wisdom of the past which it has taken us two centuries to accumulate.

Congress has long nurtured its library, and even in times of national crisis the Library of Congress has prospered. We are proud of that and grateful to the Congress for your support.

But times of crisis and national emergency require not less, but more knowledge. I urge that this committee, which in the years past has shown its appreciation and support of our Library of Congress, be responsive to our requests today.

We will be happy to answer your questions, Mr. Chairman.

Senator D'AMATO. Thank you, Dr. Boorstin.

[The statement follows:]

STATEMENT OF DANIEL J. BOORSTIN, LIBRARIAN OF CONGRESS

Mr. Chairman, and members of the Committee. I want to thank you for this opportunity to appear before this Committee to describe the needs of the Library of Congress for fiscal year 1987.

At the outset, I would like to thank the Senate, and especially Members of the Appropriations Committee for their recent action to restore $867,000 to the Library's budget for the last quarter of the fiscal year. We are requesting that this funding for the purchase of books, the cataloging of books, and for evening and Sunday service in the general reading rooms be made available for 1987 also.

Only eleven months from now, during fiscal 1987, the nation will begin to celebrate the Bicentenary of our Constitution. Exactly 199 years ago, the Americans of the former colonies were selecting their delegates to the Constitutional Convention which opened with a quorum in Philadelphia on May 25, 1787. The most recent Library of Congress Building was built by the Congress as a monument to James Madison, the leading chronicler of that meeting, and a principal architect of the Constitution. So that building, all the Library of Congress, our collections, our staff -- are dedicated to the proposition that free government is based on free, copious, and current access to knowledge.

The greatest republic has been served by the greatest of the world's libraries. But this will not continue to be possible unless measures are taken to support adequately this great Library. As this committee is aware, our regular budget for the current year had been cut by $8.4 million below that for the previous year even before the Gramm-Rudman-Hollings Act brought this cut to a total of more than $18 million. As I have said the restoration of $867,000 in the Urgent Supplemental Appropriations Act has eased the pressure on our book budget, and will allow us in the near future to reopen the reading rooms evenings as well as provide for some relief in our cataloging efforts.

As you know, the Subcommittee on Legislative Branch Appropriations marked-up their bill for fiscal 1987 last week. For the Library of Congress Salaries and Expenses accounts, the Committee approved an appropriation of $136,339,000 including authority to obligate $4,700,000 in receipts. The Library would urge that this Committee support funding approved at the House Subcommittee level. For all activities of the Library of Congress, the Subcommittee is recommending $234,700,000 which is $4 million less than appropriated in fiscal 1984.

There are, however, four activities that need to be addressed separately that were not included in the House Subcommittee mark-up. The House Subcommittee recommendation provides an increase of $175,000 in the book purchase account but did not include the $500,000 in the Supplemental for 1987. The costs for books and periodicals subscriptions have increased dramatically over the last year. Prior to the action on the Urgent Supplemental Appropriation, we made emergency plans to cancel book purchase orders for some 25,000 titles of current materials and to cancel subscriptions to nearly 5,000 periodical titles. It would be most unfortunate if we had to implement these plans. We desperately need the $500,000 if we are to continue to be the world's preeminent library.

We cannot catalog titles we do not acquire. Libraries across the country are dependent on our cataloging information. It is estimated the 75 percent of the cataloging in the average research library is based on LC cataloging. A recent article in the Chronicle of Higher Education quotes the Johns Hopkins University librarian: "The libraries in this country are so dependent on the Library of Congress for cataloging that a decline in their volume of activity hits libraries very quickly and very much in the pocketbook." Examples of how much the Library of Congress information is used in cataloging by other libraries is cited in the article -- University of Delaware, 90 percent; University of Georgia, 80 percent; University of Illinois at Chicago, 84 percent; New York University, 70 percent. Wasteful duplication and long delays in cataloging across the country will be the result, to say nothing of the fact that some of our nation's most prolific scientists and scholars will not even know of current foreign research in their area of investigation. The Urgent Supplemental included $120,000 for cataloging activities. The House Subcommittee mark-up included funding to continue cataloging Chinese, Japanese, and Korean materials but did not fund cataloging activities for other library materials. We are asking the Senate to include $430,000 which would provide full 1987 funding of the cataloging activities approved in the Supplemental.

Probably the most visible result of budget cuts at the Library of Congress was the curtailment of hours of services in the general reading rooms. We took this action most reluctantly and only after we had to adjust to a second round of cuts and could no longer protect this activity at the expense of our collections, including purchase, cataloging, and preservation of these collections. As a result of the action on the Urgent Supplemental, we are actively seeking to reemploy deck attendants and reading room personnel and expect to resume evening and Sunday service within the next two weeks. The House mark-up, however, does not provide for funding of this activity on a 12-month basis. We are asking the Senate to approve $650,000 for this purpose.

Finally, under Library of Congress, Salaries and Expenses, we are requesting that the Senate approve $320,000 above the House Subcommittee recommendation for the preservation of library materials, in particular for binding materials received. Our preservation program has suffered during the past year and because of budgetary restraints, we are experiencing a serious backlog of material awaiting binding. We cannot put the books on the shelf until they are properly bound.

We were very pleased that funds for the Congressional Research Service in the House mark-up were increased for fiscal 1987. Because of 1986 reductions the Congressional Research Service has vacancies in many key public policy areas and cannot provide the quality of analytical assistance that Congress has come to expect, which it needs urgently and while the information is still useful. For instance, we have senior analyst vacancies in veterans affairs, in intelligence and arms control verification, and in terrorism. We have Senior Specialist vacancies in election law, Soviet affairs, international economics, and in price economics. Can Congress afford to make decisions on such vital matters without the best available knowledge at hand?

For our nation and the world, these are the times that try men's minds, that tax our consciousness, our resources of wisdom, knowledge, and information. Threats from without and problems within demand every shred of the most ancient wisdom and the most recent information -- to cope with the challenges of a nuclear war, to seize the opportunities of unprecedented technological progress, to enrich the resources of freedom. For many -- perhaps most -- peoples of the earth, those behind the Iron Curtain and in other enslaved nations, this Library remains the only place where they can freely learn about themselves.

If funds cannot be restored for basic collections and services the Library of Congress, the nation's library -- your main resources of knowledge and information -- will quickly deteriorate. The Library of Congress, like other great research libraries, is a living organism. Life interrupted is life lost. We can prevent irreparable damage to the integrity of our collections if the Library receives the funds to keep our acquisitions current and our cataloging up to date. Knowledge is not a rock inherited from the geologic past, but is constantly growing. Knowledge is constantly in need of nourishment and renewal -- and we would not have it otherwise.

One of the basic tenets of our nearly 200-year old Constitution is the freedom to petition our representatives in Congress. The strength -- and the weakness -- of the cause which I espouse on behalf of the Congress' library and the world of learning is precisely that we do not speak for any special interest or any one party or opinion. The cause of knowledge is the most general of all interest for a free people. The beneficiaries of knowledge, of the information supplied to Congress and the free explorers of knowledge, are everywhere. Their largest numbers are still unborn. We will fail in our duty to our posterity if we do not hand on to them the fully-stocked, properly organized treasure of wisdom of the past which it has taken us two centuries to accumulate.

Congress has long nurtured its library and even in times of national crisis the Library has prospered. Times of crisis and national emergency require not less, but more knowledge. I urge that this Committee which in the years past has shown its appreciation and support of the Library of Congress be responsive to the requests we are making today. My colleagues and I will be happy to answer your questions.

CONGRESSIONAL RESEARCH SERVICE

Senator D'AMATO. Mr. Ross, would you like to make a statement? We have your statement here. Would you like to summarize it?

Mr. ROSS. Yes, sir, Mr. Chairman, I would like to just briefly touch on the highlights.

It is a pleasure to appear here on behalf of the Congressional Research Service.

Among the highlights in my statement, our original budget request included 24 new positions and associated funding of $539,000. After we considered this, in the light of new conditions, we decided to withdraw that request and did so.

PERSONNEL

Our greatest need is to be able to preserve our present staff with the flexibility to replace key staff when vacancies occur and to fill existing vacancies where the greatest need exists in the course of next year. I should note here that, as Dr. Boorstin has said, we are pleased that the CRS funds for 1987 were increased in the House markup, including enough to fill 35 currently vacant positions. This will help us meet an ever-growing workload. I'm very pleased the subcommittee supported that action.

We reduced the original request also in a number of other nonpersonnel services areas as detailed in the statement.

I would like, Mr. Chairman, to assure you that CRS will continue to work very closely with the Library administration in all phases of our activities, to ensure that our resources are utilized most effectively and efficiently. I should also add here that the new requirement of review and approval of the CRS budget by the Librarian has posed no problem for me or for CRS.

Indeed, the many discussions that I've had with other Library officials have been very helpful in deciding how to approach this budget request.

We are also maintaining our ongoing efforts to coordinate with the other congressional support agencies—the OTA, the CBO, and GAO. Perhaps even more importantly, we are continuing to enlist the support of all of our staff in the ongoing efforts to achieve additional savings wherever possible.

And we are confident that the budget request now before you, together with the steps we are taking to control expenditures, will allow us to carry out our mission of service to the Congress.

Thank you.

[The statement follows:]

STATEMENT OF JOSEPH E. ROSS, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE

Mr. Chairman and members of the Subcommittee:

It is a pleasure to appear here this morning on behalf of the Congressional Research Service.

The original budget request before you asked for an increase of $6,722,000 in 1987, consisting of funds for restoration of 1986 base reductions, recovery of funds sequestered in 1986, recovery of recent inflation, and a few growing workload items, including twenty-four new positions. As you know, that request was, for the most part, prepared many months ago; it reflected our best estimate at that time of the additional resources necessary to enable the Service to provide superior research and reference support to Congress. Since then, however, we have reconsidered our request in light of the growing congressional commitment to reduce federal spending and deficits. As a result, we are now reducing our requested increase by $1,208,000 by withdrawing the request for new positions and part of the requested increase for nonpersonals.

In order to meet the required sequestration under the Balanced Budget and Emergency Deficit Control Act of 1985, we have had to take a number of significant actions to reduce expenditures. While required, some of these actions have had, and continue to have, immediate and serious effects on the Service's ability to support Congress. Our first priority for 1987 must, therefore, be directed at regaining resources needed to maintain our services. We believe that the revised request would achieve this end. That amount would permit the Service to maintain present staffing strength, to replace staff as positions become vacant in critical areas, and to fund nonpersonal services adequately to produce basic research and reference materials for Congress.

I would now like to briefly detail the specifics of our revised request and point out the reductions we have made in the original request.

Specifically, our revised request consists of $1,675,000 for restoration of sequestration, $3,664,000 for current level expenses, including $2,581,290 for mandatory personnel costs, and $175,000 for growing workload items.

Our original request included 24 new positions and associated funding of $539,985. After careful consideration of our present priorities, we have decided to withdraw that request. Our greatest need is, rather, to be able to preserve our present authorized staffing strength, with the flexibility to replace key staff when vacancies occur, and to fill existing vacancies where the greatest need exists in the course of the year.

We are also reducing our original nonpersonal services request in six areas, namely: rental of equipment, computer software, professional and consultant services, books and library materials, data base services, and other services, miscellaneous. As to rental of equipment and computer software, we have reduced each request by half. While our need for additional microcomputers for analytical applications continues in order to make staff as productive as possible, we believe deferral of part of the request is appropriate in light of current budgetary realities.

In addition, we are reducing requests for restoration in the areas of professional and consultant services, books and library materials, data base services, and other services, miscellaneous. We believe that by instituting stringent economy measures, these activities can be reduced without severely undermining our basic services.

I recognize that in the current budgetary environment, any proposed increases should be sought only for the most essential requirements. In the time since I have become Director, I have carefully scrutinized the Service's basic operations. I have concluded that this request, as revised, is justified under the continuing and severe budget restraints, taking into account our current and projected workload, which continues its historic pattern of steady growth in quantity and complexity. The budget request before you, as revised, proposes to meet that workload growth essentially with resources which Congress has previously authorized.

In conclusion, Mr. Chairman, I want to assure you that CRS will continue to work very closely with the Library administration in all phases of our activities, to ensure that our resources are utilized most effectively and efficiently. We are also maintaining our ongoing efforts to coordinate with the other congressional support agencies. Perhaps even more important, we are continuing to enlist the support of all of our staff in the on-going efforts to achieve additional savings wherever possible. We are confident that the budget request now before you, together with the steps we are taking to control expenditures, will allow us to carry out our mission of service to Congress.

FURNITURE AND FURNISHINGS

Senator D'AMATO. Thank you. Dr. Boorstin, I notice that you have requested $13,731,000 under the furniture and furnishings appropriations, in connection with the restoration and renovation of the Jefferson and Adams Buildings.

What will be acquired with these funds? I raise this question in light of the fact that the construction seems to be just starting. Is the funding needed for fiscal year 1987?

Might we not do better by delaying these purchases?

Dr. BOORSTIN. Mr. Chairman, I will ask Mr. Curran, the Associate Librarian of Congress, to speak to that.

Mr. CURRAN. The furniture budget, as you know, is ours rather than the Architect's. And there is a considerable lead time to acquire some of those materials.

The House, in its markup, allowed, I believe it was $3.4 million for the renovation of the $13 million referred to. The Library is prepared to work with that as an initial amount, looking to be able to continue in following years; in other words, stretch it——

Senator D'AMATO. So, you would look to those areas where you need more leadtime?

Mr. CURRAN. Yes.

Senator D'AMATO. And the $3 million-plus figure is one that you feel would adequately cover those expenses?

Mr. CURRAN. The longest leadtime, and we would be back, of course, in the following years then for incremental amounts.

Senator D'AMATO. It seems to me in this period of budget constraints that that would be a very reasonable way to proceed. It would be taking it down by almost $10 million and not doing violence to——

Mr. CURRAN. Well, we wouldn't have obligated it all in any case. We still anticipate the total need in the order of $13 million. The first year obligation could be limited.

EQUAL EMPLOYMENT OPPORTUNITY OFFICE

Senator D'AMATO. I think that would be wise. I see that there is a request for six new positions for the Equal Employment Opportunity Complaint Office.

Why is it necessary to bring six new people into this area? We are talking about keeping reading rooms and libraries open, and it just seems to me that this is a totally unjustified assignment in terms of priorities, when you are making the kinds of cuts that you are.

Mr. WELSH. Mr. Chairman, we've had a very serious backlog in the complaint processing area. It was so serious that we asked each department to put up a job from their resources so we could begin to attack this backlog.

We are simply asking that those jobs be made permanent. We think we need to—we know we need to—maintain them. It's not a new effort, only in the sense that we are asking they be made permanent.

Senator D'AMATO. Well, are you reducing this backlog?

Mr. WELSH. Slowly.

TYPES OF COMPLAINTS

Senator D'AMATO. What are the nature of these complaints?

Mr. WELSH. Various complaints, promotion complaints. Some grievances filed by our union representatives on various matters. But, they are primarily personnel complaints.

Senator D'AMATO. Well, it seems to me that that's not justified, six people, and that you are going to have to find a better way to deal with promotion complaints as opposed to requesting money in the broader category of an Equal Employment Opportunity Complaint Office.

RESOLVING COMPLAINT ISSUES

That's my feeling. And I would not be supportive of that, particulary in the sense that we are not really talking about what we generally view as equal opportunity complaints. It seems to me that you have got to find a better way to deal with these problems.

Mr. WELSH. Well, we have tried. We have worked very hard in this area. We've got a very active action program that attempts to address the problems, but we nevertheless have an increasing number of complaints.

And we have tried to deal with them this way.

Senator D'AMATO. Well, maybe the complaints are stimulating more complaints than they are dealing with the request.

It would seem to me that maybe that's what happened. Would you care to respond to that?

Mr. WELSH. That's a very difficult question to respond to. I would certainly have to say that that's a possibility.

Perhaps Mr. Zimmerman, who is the person in charge, would care to respond to that particular question.

Mr. ZIMMERMAN. I'm sorry; I didn't hear it.

Senator D'AMATO. Are you stimulating more complaints as opposed to bringing about some resolve of the personnel questions?

You know, when I see a request for six additional positions, and we are talking about knocking out night libraries, reducing reading for the blind and whatnot, I have to say that this jumps right out at me.

Are you stimulating more complaints, or are you resolving the issues?

Mr. ZIMMERMAN. I think what Mr. Welsh said, that is the historical aspect of it. The number of complaints grew very quickly in over a 2- or 3-year period of time.

We did add some additional positions to the Office and we are resolving more complaints. The rapid rise has plateaued off, and there has been a slight decline in the last few months.

Senator D'AMATO. Are you still facing questions with respect to promotions?

Mr. ZIMMERMAN. There are quite a few of them that relate to promotions. That's the primary area. Performance evaluations.

Senator D'AMATO. There are probably very few promotions right now, aren't there?

Isn't that a pretty easy matter to decide? How many officers do you really need? My God, how many employees do you have?

Mr. WELSH. 5,400.

Senator D'AMATO. And you are going to add six more people here, six new positions, to evaluate people who are complaining about promotions?

Mr. WELSH. Mr. Chairman, I failed to make the point that we put on these jobs last year, so they are not new in that sense. We are simply asking that they be made permanent in an attempt to deal with this backlog situation.

Senator D'AMATO. I think you had better get the people who are supposed to make the evaluations on the persons' performance, et cetera, and promotions, to work a little harder at it instead of asking for six new positions to be made permanent.

I'll tell you, youi priorities are out of whack, as far as I'm concerned when I see something like this. That's my own feeling.

Mr. Chairman, do you have questions?

SENATOR HATFIELD'S COMMENTS

Senator HATFIELD. Thank you, Mr. Chairman; no. I have a very strong commitment to the Library, as you well know. And I know the Library has undergone a number of criticisms in trying to deal with the fiscal problems that we all face.

Senator D'AMATO. Which were not of their making.

Senator HATFIELD. Pardon me?

Senator D'Amato Which were not of their making.

SETTING PRIORITIES

Senator HATFIELD. No; and I want to say to the Librarian that I feel very strongly, even where we have to set priorities, that those priorities should be set in such a way as to preserve the basic structure of that Library.

And the basic structure of that Library, in my view, is acquisition and cataloging. And that's notwithstanding the congressional services that you provide with all the other services. If we have to really reduce, let me tell you that I will lead the battle—you need a leader on this question—of even reducing congressional services in order to preserve the Library.

We can always pick up the level of congressional services or the levels of reading room hours or all those things. Those are, to me, secondary. You preserve the structure of that Library. And that, to me, is my statement of support and of my priorities.

I would assume that might coincide with your priorities.

Dr. BOORSTIN. Thank you, Mr. Chairman. May I respond?

Senator D'AMATO. Certainly.

PRESERVING THE COLLECTIONS

Dr. BOORSTIN. Well, I enthusiastically agree with Senator Hatfield's observation. We have been trying to preserve those priorities. And it was, in fact, in order to do that that we found it necessary to reduce the hours of service in the Library, which was very painful that we found that necessary in order to preserve the resources for preserving the collections. If we don't preserve the collections, the Library will not be qualified to serve the Congress in the next generation, not just today.

So, we will certainly make every effort to use the resources which you give us—and we recognize the stringency of the fiscal situation now—to preserve those priorities. And we welcome that mandate from this committee, Mr. Chairman.

Senator D'AMATO. Senator Bumpers.

Senator BUMPERS. Mr. Chairman, I have a list of questions here that I will submit for the record and ask that the responses be made a part of the record.

CRS PERSONNEL

There is just one other thing I wanted to ask. How many positions are there in the Congressional Research Service?

Mr. CURRAN. We have currently authorized 860 positions.

Senator BUMPERS. How many of them are filled?

Mr. CURRAN. May I ask our Budget Officer, Susan?

Ms. Finsen. Currently, we have about 805 positions that are filled.

BOOKS FOR THE BLIND

Senator BUMPERS. One other thing, I understand you have been sued for stopping the publication of Playboy. How is the lawsuit coming?

Dr. BOORSTIN. Mr. Chairman, I can't report on it at the present stage, because I am not aware of all the details. It has been very complicated. That's the best answer I can give, Senator.

Senator BUMPERS. Well, that's on my list of questions. Perhaps you can find out.

Dr. BOORSTIN. I will be glad to. I will be glad to respond to that for the record.

Senator BUMPERS. Thank you, Mr. Chairman.

SUBMITTED QUESTIONS

Senator D'AMATO. Thank you, Senator.

Dr. Boorstin, we have got some questions we will submit to you and ask if you will respond in writing along with Senator Bumpers' questions and Chairman Hatfield's.

I want to thank you. I would like to have an opportunity to sit down with you maybe next week some time.

Senator Bumpers has some questions of previous witnesses. They will be submitted.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATORS D'AMATO AND BUMPERS

Question: In FY 1986 you received a base cut and the Gramm-Rudman-Hollings action cut you even further. I see in your FY 1987 submission that you have requested recoveries for both the base cut and the Gramm-Rudman-Hollings cut. Are you asking for full recovery of these cuts?

Answer: In our original budget submission to the Office of Management and Budget we asked for recovery of all of the $9,856,000 in the G/R/H cuts and $10,456,510 of the $11,993,000 in base cuts. The requests were reduced at the time of the House Subcommittee hearings to seek recovery of $8,606,000 (87.32%) of the G/R/H cuts and $9,786,284 (81.60%) of the base cuts.

Question: Your requests for increases are broken down into four categories: Recovery of Gramm/Rudman/Hollings; Restoration of Base Cut; Current Level; and Growing Workload. Can you prioritize these categories for us?

Answer: The following schedules show the priorities for each of the four categories broken down by appropriation:

RECOVERY OF GRAMM/RUDMAN/HOLLINGS CUTS

Salaries & Expenses, Library of Congress

Purchase of books	$ 626,000
Preparation of books	880,000
Preservation	600,000
Reopening of the Library	500,000
Automation	1,200,000
Central support	509,000
Cataloging Distribution Service	341,000
American Folklife Center	23,000
Total	$4,679,000

Copyright Office

30 essential positions	$ 525,000
Non-personal costs	201,000
Total	$ 726,000

Congressional Research Service

Fill vacancies & fund overtime (when necessary)	$1,162,000
Partially restore funding of staff development & personnel security activities	92,000
Partially restore funding for communications	85,000
Restore funding supporting copying of CRS products	100,000
Restore acquisition of basic research & reference information source materials	$ 89,300
Restore consultant funding to augment staff resources	80,200
Restore balance of staff development funding	40,000

Restore balance of communications funding	26,500
Total	$1,675,000

Books for the Blind & Physically Handicapped

Sound reproduction	
100 cassette titles	$ 350,000
Recorded magazines	136,000
Bibliographies, catalogs (flexible disc)	150,000
Books in raised characters	
Braille magazines	310,000
25 braille titles	100,000
80 handcopied braille titles	100,000
Containers for mailing braille books	70,000
Music materials for collections	75,000
Pamphlets & documents	25,000
Professional & consultant	30,000
Special & temporary positions	15,000
Sound reproduction - Books Talk - recorded education brochures	41,000
Public education projects	50,000
Total	$1,452,000

Special Foreign Currency

Purchase of books	$ 36,000
Total	$ 36,000

Furniture & Furnishings

Annual furniture	$ 38,000
Total	$ 38,000

Grand total	$8,606,000
Recovery of receipts	-436,000
Net total	$8,170,000

RESTORATION OF BASE CUTS

Salaries & Expenses, Library of Congress

Mandatories - 80 positions	$2,631,297
Central support (including Space Rental)	558,300
Preparation of books	210,000
Preservation	647,700
Research	21,600
Cataloging Distribution Service	28,300
Automation	3,400
American Folklife Center	32,900
Total	$4,133,497

Copyright Office

Non-personal costs	$ 110,000
Total	$ 110,000

Congressional Research Service

Fill permanent vacancies, hire temporaries & fund overtime (when necessary)	$1,851,387
Restore funding supporting copying of CRS products	361,700
Partially restore funding for basic research & reference source materials	130,200
Partially restore consultant funding to augment staff resources	353,200
Partially restore funds supporting seminars & institutes, translations & misc. services	21,200
Restore funding for staff development & personnel security activities	37,100
Restore funding for communications	35,000
Total	$2,789,787

Books for the Blind & Physically Handicapped

Replacement of machines	$1,599,900
Talking books	800,000
Travel & transportation	13,900
Printing of publications	140,000
Research & development	75,000
Recovery of lapse	25,000
Music books	40,000
Consultant services	20,000
Other printing	15,000
Purchase of books for reproduction	7,000
Testing equipment	10,000
Other non-personal costs	7,200
Total	$2,753,000
Grand total	$9,786,284

CURRENT LEVEL REQUESTS

Salaries & Expenses, Library of Congress

Mandatories	$ 1,434,487
Purchase of books	175,000
Central support	211,500
Automation	95,265
Preservation	36,500
Research	5,664
American Folklife Center	23,100
Preparation of books (reduction)	-111,247
Total	$ 1,870,269

Copyright Office

Mandatories	$ 217,099
Non-personal costs	40,700
Total	$ 257,799

Congressional Research Service

Fund ingrades & reallocations	$ 729,903
Recover cost increases related to copying CRS products	68,410
Recover cost increases for acquisition of basic research & reference materials	49,700
Recover cost increases for staff development activities	15,900
Recover postal rate increase	10,300
Total	$ 874,213

Special Foreign Currency

Personnel & non-personal costs	$ -442,000
Total	$ -442,000

Furniture & Furnishings

Renovation & restoration furnishings	$13,731,000
Annual furniture	144,600
Furniture & furnishings (Overseas) ..	20,700
Carpeting	100,000
Non-recurring furniture	514,500
Annual partitions	37,500
Typewriters	4,200
Non-recurring furniture (reduction) .	-392,600
Total	$14,159,900
Grand total	$16,720,181
Use of receipts	-950,000
Net total	$15,770,181

GROWING WORKLOAD REQUESTS

Salaries & Expenses, Library of Congress

Processing (9 CJK positions)	$ 295,253
Research (8 renovation & restoration positions)	134,876
Wright-Patterson renovation	500,000
Automation (computer upgrade & workstations)	2,545,098
Equal employment opportunity complaints office (6 positions) ...	214,107
LC subject headings	200,000
Law Library data bases	35,000
Processing (Overseas non-personals) .	114,900
Automation (rent computer software & automation supplies)	72,000
Total	$ 4,111,234

Copyright Office

Non-personal costs	$ 150,201
Total	$ 150,201

Congressional Research Service

Fund replacement of word processors & acquisition of microcomputers ...	$ 175,000
Total	$ 175,000

Furniture & Furnishings

Annual furniture	$ 368,500
Furniture & furnishings (Overseas) ..	27,900
Non-recurring furniture	518,500
Typewriters	17,200
Total	$ 932,100
Grand total	$ 5,368,535
Use of receipts	-150,000
Net total	$ 5,218,535

Question: Your decision to cut the Library's evening hours has not been a popular one. What alternatives have you considered to this method of cutting costs? What other impacts will Gramm/Rudman/Hollings have on the general public?

Answer: Reduction of evening hours was only one step among many which were taken to cope with the $18.3 million in budget cuts which the Library took between fiscal 1985 and fiscal 1986. Special Announcement No. 86-11, dated February 3, 1986, "Reductions in the Library's Operating Costs", covers the steps we took and is enclosed. In our judgement, even deeper cuts in the other Library programs and services would have been more harmful to the overall work and mission of the Library than was the action we took to reduce hours of reading room service.

OFFICE OF THE LIBRARIAN
SPECIAL ANNOUNCEMENT

No. 86-11 February 3, 1986

Subject: Reductions in the Library's Operating Costs

The Library is initiating a series of actions to reduce its operating costs for fiscal year 1986. These steps are necessary because of an anticipated reduction in the Library's appropriation by $9.9 million on March 1, 1986, based on a Presidential sequestration order in conformance with the Balanced Budget and Emergency Deficit Control Act of 1985 (see Special Announcements No. 86-1, January 10, 1986, and No. 86-9, January 27, 1986). The steps enumerated below are illustrative of the actions the Library must take to accomplish this goal and do not constitute a comprehensive statement of action.

1. Funds for the Congressional Research Service are being reduced by $1,675,000. This will result in a curtailment of support to Congress in virtually all aspects of the Service's work.

2. Hours of service in the general reading rooms will be reduced from 77 1/2 hours to 54 1/2 hours per week (see Special Announcement No. 86-10, February 3, 1986), including the elimination of Sunday and holiday service.

3. All Library buildings will be closed on Sundays and holidays.

4. Certain doors to Library buildings will be closed to control salary costs incurred by the need for the Special Police to staff these entrances/exits.

5. The Library's work force will be reduced by approximately 300 staff members through reductions in force, termination of some staff serving in their periods of conditional appointment, early termination of some staff serving with ending date appointments, and sharp curtailment of appointments to replace staff members leaving through normal attrition. Staff members being separated involuntarily will be given specific notice of the action to be taken and the effective date as provided by Library Regulations and existing collective bargaining agreements.

6. The budget for preservation of library materials is being reduced by $600,000, or 16.4 percent. These reductions will occur in bookbinding, motion picture preservation, microfilm preservation, and general paper conservation programs.

7. Funds for the automation of Library services are being reduced by $1.2 million, or 6.8 percent. The reduction will affect the purchase of computer terminals and microprocessors as well as the rental of software and related services.

8. The budget for the purchase of books and Library materials is being reduced by $626,000, or 13.3 percent. The reduction will affect the purchase of new books of research value, serials and periodicals, microforms, maps, and recordings. Gaps in our present holdings will not be filled and purchase of rare and unique materials will be minimal.

9. Funds for the Copyright Office are being reduced by $726,000. The impact on the copyright community served by the Office will be felt in delays in issuing certificates of registration and in cataloging registrations to create a public record.

10. The budget for the National Library Service for the Blind and Physically Handicapped is being reduced by $1,452,000. This will result in cuts in the number of talking and braille books produced for use by the blind and physically handicapped persons served by this program. For example, ceilings will be placed on all braille and recorded magazines, permitting new subscriptions only when current users leave the program or drop a magazine. Further, cassette book production will be lowered by 100 titles--80,000 copies. Press and handcopy braille production will be lowered by 110 titles--2,120 copies.

11. Staff reductions in the Library's cataloging divisions will result in reduced cataloging output of approximately 25,000 books per year, or about 14 percent. This will impact Research Services, the Law Library, and the Congressional Research Service as well as libraries throughout the world that subscribe to our cataloging data in card, book, and machine-readable form.

12. The Library will vacate a warehouse located in Alexandria, Va., resulting in an annual savings of $177,000. Shelving and other material stored there will be disposed of or placed in other buildings.

13. A reduction in costs is being made in virtually all allotments for travel, supplies, printing, equipment, and contract services.

In addition to the cost reduction and cost avoidance measures described above, the Library is in the process of determining optional employee eligibility for early retirement for those who might qualify. A separate announcement will be made on this subject. Employees planning regular retirement this fiscal year are encouraged to advise their department offices, via their division chiefs, of their intentions so that the Library may use that information for planning during this fiscal emergency.

It may also be necessary to furlough staff members without pay if the actions set out above do not produce sufficient reductions in expenses. It is not likely that furloughs would be more than three days during fiscal 1986, and, in some appropriations, it is not likely that any furlough of staff will be required. If needed, furloughs will be announced well in advance and will be spaced out so that no more than one day's pay will be lost in any one pay period.

Question: Your appeal of the House mark includes a request for $650,000 to maintain reading room hours. Do you mean to say that if we do not recommend additional funding for this purpose, you will again curtail reading room hours? Since the deacidification project has been indefinitely postponed because of the explosion, couldn't we use some of the money previously appropriated for that purpose?

Answer: When the House Appropriations Subcommittee acted on the 1987 Budget, it did not include our requested funding to extend the reading room hours. Both the House and the Senate did include funds to extend hours of reading room service in the Urgent Supplemental for fiscal 1986; we urge the Senate to appropriate $650,000 in additional funding in fiscal 1987 for this purpose. It is the Library's position that extended reading room hours in the evenings and on Sundays do not have as high a priority as building and maintaining our collections through adequately financed acquisition, cataloging, and preservation activities. We would not want to further reduce these important Library activities to keep the reading rooms open longer.

The book deacidification preservation project has not been indefinitely postponed. We are actively working on it at the present time. We have had a setback in our planned schedule because of the inadequacy of the chemical delivery design system that was uncovered as a result of the small-scale testing being done at the Goddard Space Flight Center. Arrangements are now being made to redesign that phase of the work by chemical design firms more experienced in handling chemical plant design. We fully intend and expect to successfully design, build, and operate a gas phase deacidification book treatment plant using the diethyl zinc process which has been patented by the Library of Congress. Therefore, all funds appropriated are needed for this purpose.

Question: Under recent legislation, the Congressional Research Service budget requests are now to be reviewed by the Librarian before being submitted to the Congress. How is this new arrangement working?

Answer: Both the Librarian of Congress and the Director of the Congressional Research Service feel that the new budget review arrangements are working successfully. Preparation of the Service's FY 1988 request will provide our first experience with the total process under the new arrangement, in as much as the FY 1987 budget request had already been submitted to the Congress at the time the legislation providing for this new process was passed.

Question: Your justification includes a $9.42 million restoration of Gramm/Rudman/Hollings money. Is it your intention to, assuming such a restoration is made, lay off some of the Library's staff and restore their salaries a few months later? Where would you apply the $9.42 million?

Answer: The Library originally appealed the G/R/H cuts totaling $9,420,000. The Librarian, at the House hearings, reduced the request for recovery to $8,170,000. The following tables show the breakdown of each amount by appropriation:

	Original Request G/R/H Cuts	Revised Request G/R/H Cuts
Salaries & Expenses, Library of Congress		
Purchase of books	$ 626,000	$ 626,000
Preparation of books	1,280,000	880,000
Cataloging Distribution Service	441,000	341,000
Research & reader services	850,000	500,000
Preservation of library materials ..	600,000	600,000
Automated systems support	1,200,000	1,200,000
Central support services	909,000	509,000
American Folklife Center	23,000	23,000
Total	$5,929,000	$4,679,000
Use of receipts	-178,000	-178,000
Net total	$5,751,000	$4,501,000
Copyright Office		
Total	$ 726,000	$ 726,000
Use of receipts	-258,000	-258,000
Net total	$ 468,000	$ 468,000
Books for the Blind & Physically Handicapped		
Total	$1,452,000	$1,452,000
Special Foreign Currency		
Total	$ 36,000	$ 36,000
Furniture & Furnishings		
Total	$ 38,000	$ 38,000
Total, Title II Budget	$8,181,000	$6,931,000
Use of receipts	-436,000	-436,000
Net total, Title II	$7,745,000	$6,495,000
Congressional Research Service - Title I		
Total	$1,675,000	$1,675,000
Total Budget	$9,856,000	$8,606,000
Use of receipts	-436,000	-436,000
Total appropriations	$9,420,000	$8,170,000

Question: In FY 1986 funding was removed from the appropriation for the National Library Services for the Blind & Physically Handicapped with the intended purpose of stopping the publication of the braille edition of Playboy magazine. I understand that a suit has been filed against Dr. Boorstin as a result of that action. What is the current status of that suit?

Answer: Currently the discovery phase of the lawsuit is completed. Both parties are filing motions for summary judgement and replying to each other's motion. A date has been set for arguments on the motions - August 28, 1986.

Question: You are asking for $13,731,000 under the Furniture and Furnishings appropriation in connection with the restoration and renovation of the Jefferson and Adams buildings. What will be acquired with these funds? Since construction seems to be just starting, why is this funding needed for FY 1987?

Answer: Following is an itemized list of furniture and furnishings. Bids for much of the furniture associated with Phase I of the project would need to be issued at least a year prior to the completion of Phase I construction work. Some of the speciality items, such as the modular furnishings for the colonade system, would require a slightly longer lead time. The Architect of the Capitol's current schedule calls for completion of Phase I construction by March 15, 1988. Accordingly, procurement activity would begin early in calendar year 1987.

LIBRARY OF CONGRESS
FURNITURE AND FURNISHINGS

Estimated Library of Congress Furniture and Equipment Costs
Related to the Renovation/Restoration of the
Thomas Jefferson and John Adams Buildings
Fiscal Year 1987 Estimates

	Jefferson Building	Adams Building	Total
Telecommunications cabling ...	$ 350,000	$ 350,000	$ 700,000
Book shelving	388,000	248,000	636,000
Interior partitions	313,000	560,000	873,000
Card catalogs	332,000	300,000	632,000
Special purpose furniture & equipment	2,152,000	351,000	2,503,000
Reading rooms, study facilities, meeting rooms...	784,000	609,000	1,393,000
Carpeting	971,000	529,000	1,500,000
Office furniture	1,126,000	2,223,000	3,349,000
Eating facilities	64,000	54,000	118,000
Lighting	56,000	30,000	86,000
Furniture refinishing	105,000	45,000	150,000
Sub-total	$6,641,000	$5,299,000	$11,940,000

Contingency fee @ 15%	1,791,000
Grand total	$13,731,000

Question: Last year, your requested several new positions in your Copyright Office because of an increased number of applications for protection of semiconductor chips. How many registrations were filed last year?

Answer: Total receipts: 1,880 claims

Total registrations: 1,263

U.S.	717
Japan	481
U.K.	39
Netherlands	10
Sweden	6
Canada	5
France	2
Italy	2
FRG	1

Total claims refused registration: 139

U.S.	107
France	11
FRG	17
Canada	4

Reasons for refusing registration:

Commercially exploited before 7/1/83	47
Deposit incomplete on 7/1/85 deadline	34
De minimis	12
Not fixed in a semiconductor chip product	5
Both de minimis and not fixed in a semiconductor chip product	40
Embodied in another claim	1

Total claims in process: 478

Correspondence rate: 53.7%

Question: Are any of the 17 positions you are requesting for FY 1987 due to the chip registration workload?

Answer: No.

Question: Given the few recent setbacks, what is the status of the deacidification facility and equipment? Please submit your new cost schedule, and if you need time to prepare it for the record, please include the costs on your original schedule (for comparison).

Answer: The National Aeronautics and Space Administration (NASA) has been conducting a series of tests for the Library of Congress at a small-scale test site at its Goddard Space Flight Center. The purpose of these tests was to prove the adequacy of certain design features of the chemical delivery system for the diethyl zinc gas difusion deacidification process. The test proved that the design work was deficient and there was a fire which destroyed equipment and part of a building. A more complete statement of the several events which occurred is included below.

We have not yet completed the revised schedule of time and cost estimates and will not be able to do so in the immediate future. When new schedules are completed, we will forward copies to the Committee.

Library's Book Deacidification Program Moves Forward Following Review Of Incidents at Pilot Plant

The National Aeronautics and Space Administration (NASA) is completing an investigation of the two incidents at the Library's small-scale test deacidification facility, operated at NASA's Goddard Space Flight Center, that led to the shutdown of the facility in February.

As reported in the March 17 issue of the LC Information Bulletin, an incident in December 1985 resulted in a small flash fire caused by the contact of liquid diethyl zinc (DEZ) with air. DEZ in its liquid state decomposes and ignites spontaneously on contact with oxygen in the air. The Library's deacidification process uses DEZ as a gas at low pressure in an oxygen-free vacuum chamber to deacidify and add an alkaline buffer to the paper.

Following the December incident, the facility was shut down pending a review of the cause of the fire. In February, following completion of the review, a second incident occurred during clean-up and purging of the chemical delivery system that ruptured lines and caused a small fire and explosion that damaged a pump, pipelines, and the building walls.

The investigation of the two incidents by NASA's Accident Investigation Board is expected to be completed in report form in late July. To date, the Library has received some preliminary information that sheds new light on the causes of both incidents. The reason for the December flash fire was definitely liquid DEZ which had collected on the chamber floor. This undetected situation was apparently caused by a combination of inappropriate procedures, equipment malfunction, and design deficiences. One key factor under study is the possibility that a much larger quantity of Liquid DEZ/mineral oil mixture had been transferred into the system than the maximum of 30 pounds that had been planned.

In addition, the Accident Investigation Board is carefully analyzing the procedures followed during the clean-up of the December flash fire to determine the cause of the February incident. There is evidence that an incorrect procedure to clean the system's brine seal tank may have allowed water to be sucked into a pipeline filled with liquid DEZ. The brine seal tank is an experimental part of the recovery system for scrubbing exhaust gases of residual DEZ. Contact of the salt water from the brine seal tank with liquid DEZ would cause decomposition of the DEZ and formation of pressurized ethane gas.

The Library's own review of the test facility has revealed serious design and procedural deficiencies in the prototype chemical delivery system that will be addressed and corrected in a redesign of the facility. NASA's findings will be addressed in a similar manner.

In addition, the Library has taken action to modify technical engineering input and to improve the overall management of the deacidification program. Specifically, after discussion with NASA's Goddard Space Flight Center, the Library and NASA mutually agreed that the test facility and further experimentation with the design of a commercial facility would be better served by locating the test facility and its design aspects in the chemical process industry. The Library is currently negotiating a contract with a major chemical design firm and with one of the two chemical producers of metal alkyls in the United States to undertake the design, construction, and operation of the new test facility. It is also clear that the chemical process industry must play a key role in the construction, start-up, and operation of the main facility. The involvement of the chemical process industry at this stage of the planning process is made with the realization that the Library is building a chemical treatment facility that requires chemical engineering expertise to deal with the safe handling of metal alkyls.

The Library has also moved to consolidate the overall management of the project by putting together a team of Library experts and outside contractors to accomplish the task of bringing the main plant into operation by the end of 1989. Peter G. Sparks, director for preservation, will direct all aspects of the program and will report for this task to Donald C. Curran, Associate Librarian of Congress. The total program has been divided into 13 distinct projects, each with specific goals and objectives, a project manager, and team of individuals. The matrix management approach will result in better centralized management of the project while putting key technical people in charge of day-to-day operations. Sy H. Friedman, a licensed professional chemical process engineer with extensive experience in chemical plant design and construction, has been hired as a consultant to provide the Library with crucial in-house expertise in chemical process design.

The Library estimates that it will take 12 to 14 months to redesign, build, and begin operating the new test facility. Bids for the construction of the two thermal vacuum chambers and the building for the large-scale facility were opened in April and looked favorable. However, the Library has taken the most prudent approach and will delay awarding contracts for the main facility until the pilot facility is operational and the design of the chemical delivery system is proven effective. The resulting delays are expected to push the start-up date for the main facility from late 1988 to some time in 1989.

The Library of Congress is confident that the DEZ process will supply the most universal deacidification treatment for its varied collections. In addition, the Library is confident that the chemical process engineering required to convert liquid diethyl zinc into a gas at low pressure for the treatment of books is a viable process that can be implemented and handled safely. The incidents at the test facility at NASA, while unfortunate, appear at this time to be clearly traceable to ineffective procedures or design deficiences. These will be corrected by using expertise available in the chemical process industry.

Other aspects of the Library's deacidification program are also moving forward and involve the Library Environment Resources Office, the Collections Management Division, and the Preservation Policy Committee. Several studies are under way to investigate the most efficient and economical means to move books to and from the deacidification facility, including such factors as work flow for new versus retrospective books; transportation arrangements; and labeling, packing, and reshelving operations. Personnel and space requirements are also being studied. In addition, The Library's Preservation Policy Committee has recommended a plan to deacidify the classified general collections, currently estimated at 14 million volumes, based on priorities for segments of the collection deemed most important to the Library. (LC Information Bulletin, July 7, 1986, page 255.)

Question: What is the approximate increase in readership over last year in the Books for the Blind program?

Answer: In FY 1986, a total readership of 697,800 is projected, a net increase of 33,200 in readership over FY 1985 (664,600).

Question: Why are you requesting four additional positions, particularly in view of the closure of the regional center in Florida?

Answer: The four additional positionms requested by NLS have no relation to the work of the former Multistate Center for the South in Florida. The positions requested are needed to support significant segments of the entire national program.

The center in Florida has been operated under contract with NLS, but because of budget cuts, NLS could not renew that contract after April 30, 1986. Instead NLS transferred the service responsibility for southern libraries to the Multistate Center for the Midlands/South in Cincinnati.

Question: You have expressed your intention to eliminate several hundred positions, including some reduction-in-force. How many furlough days would have to be used to achieve the same savings? Will the cuts affect more lower-level than management-level employees? Please provide a table, if possible.

Answer: The Library has five appropriations from which employees are paid. The table below shows the number of employees paid from each and the labor cost in the most recent payroll. If a furlough could be applied throughout the Library all at one time, the salary savings would be in excess of $500,000 for each day. If, for example, the Library were to try and "save" $6.0 million in labor costs, which is the equivalent of 200 positions on an annual basis, it would have to close down for about 12 days. That would translate into a pay cut of about 4 to 5 percent for all staff. The backlogs of work that would be created in some parts of the Library resulting from 12 unpaid "holidays" could easily become unmanageable.

Appropriation	Number of Employees Paid	Daily Salary Cost
Salaries and Expenses, Library of Congress	2,931	$373,298
Salaries and Expenses, Copyright Office	524	57,974
Salaries and Expenses, Congressional Research Service ..	793	128,699
Salaries and Expenses, Books for the Blind and Physically Handicapped	131	14,608
Total	4,379	$574,579

Question: You are requesting 6 new positions for the Equal Employment Opportunity Complaints Office. What sudden increase in workload necessitates this increase?

Answer: These positions were established in November, 1983, to temporarily augment the staffing level of this office to enable it to eliminate the large backlog of complaints of discrimination. They have been financed from savings accrued from unfilled positions in the Librarian's Office, Processing Services, Copyright Office, Congressional Research Service, and Management Services. It has become apparent that the original staffing level of this office is not sufficient to eliminate the backlog, investigate and resolve EEO complaints, and to provide the necessary support to complainants and management. The establishment of permanent funding for these six additional positions is the nature of our request.

Question: Have you received any positions for this function in the past few years?

Answer: No.

Question: What is the status of your complaint backlog? How many complaints were settled last year? How many are outstanding?

Answer: There are 159 complaints pending in the Equal Employment Opportunity Complaints Office. One hundred and seven complaints were resolved in 1985, and 160 were carried over to 1986 for processing.

Question: You have requested 16 positions in connection with the Chinese-Japanese-Korean (CJK) program. Please explain how these positions relate to the 19 positions which were allowed in FY 1984. Does this program help our own industrial base as well as other federal agencies, such as the State Department and the Defense Department?

Answer: The original request in the FY 1984 budget for an increase in the staff to catalog and input to machine-readable form Chinese, Japanese, and Korean catalog records was based on two considerations:

1. The number of books from the People's Republic of China (PRC) jumped from 5,000 to 28,000 in 1982 due to the expanded purchase and exchange agreements. It was expected that increased receipts would continue.

2. Before 1982, records in oriental languages existed only in printed catalog card form. The Library needed additional staff to input these records in machine-readable form.

In FY 1984, the Library was provided funding for 19 indefinite positions and directed to report back in three years regarding the status of the CJK collection. The FY 1987 request reflects the end of that three year period.

Our original FY 1987 request for 16 permanent positions to replace the 19 indefinite positions initially authorized can now be reduced to 9 permanent positions:

1. Acquisitions have continued at a generally high rate. In FY 1984, LC received 21,518 books from the PRC and in FY 1985 the number totaled over 23,000. However, the non-selection rate has proved to be higher than anticipated. Therefore the total number of new Chinese titles to be cataloged has not been quite as high as we expected.

2. Since its original request the Library has improved the efficiency of its cataloging and input operation. The cataloging and input functions have been combined, resulting in a need for fewer staff. Because of this efficiency, we have dropped our request for an additional cluster of RLIN terminals and are also dropping the request of $10 thousand for telecommunications cost.

3. The RLIN system has proved to be remarkably efficient. Staff can create characters on the terminal more rapidly than was anticipated.

These 9 additional staff members are still urgently needed because:

1. Although the level of Chinese acquisitions has not been sustained as much as expected, it is still almost three times greater in FY 1985 than it was in FY 1981.

2. The Library is now cataloging considerably more Chinese than before. In FY 1982, 9,670 Chinese books were cataloged; 13,409 were cataloged in FY 1985.

3. The Library is now not only cataloging but also inputting the information into computerized form. Although efficiencies have been made in the cataloging/input system, they are not sufficient to accommodate the significant increase in acquisitions.

4. Cataloging/input staff must have a good knowledge of Chinese in order to carry out their duties. It is difficult to find qualified applicants with the requisite educational requirements and language capabilities. Therefore it is essential that these positions be made permanent in order to attract and retain qualified individuals.

This program provides access to information on two very important areas of the world. Current Chinese and Japanese publications are needed by many branches of the government, particularly the departments of State, Defense and Commerce. Because of the great interest in Japanese business techniques and innovative improvements in technology, Japanese publications are also of importance to American industrial interests.

Question: Would you be amenable to participating in a Hill-wide telephone system?

Answer: We are meeting with staff from both the House and Senate as well as other Legislative Branch agencies about the use of digital switching equipment to handle voice and electronic data needs, and how those needs can best be met. At the Library, we have a wide range of present telecommunications needs as well as future concerns. We have voice, ADP data, and pictorial image transmission needs. To the extent that our needs can be effectively met by participation in a large telecommunications system that serves the House and Senate, we are willing to consider carefully such an approach.

Question: Based on the table which appears on page 121 of your justification, the Copyright Office recovered, in FY 1985, in money and materials the equivalent of 81 percent of the costs of operating the organization. Is there anything that can be done to increase that recovery to the full equivalent of the total costs?

Answer: Yes. Congress could increase fees. The current fee of $10.00 was set in 1976 and an inflation adjustment alone would justify an increase to $20.00.

Question: It appears that the Special Foreign Currency Program is coming to an end based on the decline in funding for that program over the past few years. How long does the Library expect the program to continue and what will the Library do when the program ceases to exist?

Answer: We expect the Special Foreign Currency Program in Pakistan to cover the the cost of acquiring and cataloging publications for the Library through FY 1987. FY 1986 will be the last year the Special Foreign Currency Program covers the cost of purchasing materials for participant libraries through the Karachi operation. Starting in FY 1987, the thirty participant libraries will cover the cost of acquiring their publications by contributions to a special fund. In FY 1988, the Library anticipates the termination of the Special Foreign Currency Program; we will request a dollar appropriation to cover Library of Congress expenses. An overseas office in Karachi is the most effective way to acquire publications fron Pakistan and Afghanistan and, to a lesser extent, Iran.

Question: Please explain your need for $1.7 million for sound reproductions. Does the "number of copies" in your justification reflect actual or anticipated subscribers?

Answer: The increase of $1,691,915 requested for sound reproductions consists of $800,000 to recover base reductions sustained in FY 1986 and $891,915 for inflation. This is necessary to maintain the level of production that meets current reader needs. The number of copies outlined in the justification serve actual patrons of the talking book program.

Question: How many IBM PC-XT microcomputers will this $150,000 purchase? Will these computers stay in the Library? Do regional libraries provide their own NLSNET computers?

Answer: The $150,000 will purchase 47 IBM PC-XT microcomputer systems equipped for NLSNET. They will remain the property of the Library of Congress, but most of them (40) will be located in cooperating libraries. Regional Libraries do not provide their own NLSNET computers. Federal procurement of this equipment is the only way in which acquisition of compatible equipment necessary for a telecommunications network can be assured and implemented in a timely manner. This way the Library of Congress will avoid maintaining expensive and less reliable dual communication systems while waiting for all libraries to gain telecommunications compatibility.

Question: Given our budgetary constraints, what enhancements can you suggest to encourage and increase non-federal participation in Library programs? What percentage of your budget is made up of non-federal money?

Answer: Only a small part, less than 4 percent, of the Library's budget is made up of non-federal funds. Since 1925, the Library has been authorized to receive cash gifts to enrich its programs and services. The primary focus has been on cultural events associated with music, poetry, and literature. It is our strongly held view that core Library services to the Congress, the national library community, and the general public using our collections ought to be publicly financed as part of the Federal appropriation process. They are core national services of the national library. We, of course, continue to seek privately contributed funding for the kinds of activities for which we have traditionally sought and received such help.

Question: Under your Automation Program, you are requesting $2.6 million for growing workload. Please explain this request.

Answer: $2.3 million of the $2.6 million is for the mainframe upgrade. $60,000 is for the additional software that will be requested for this new CPU. This CPU will run under control of the MVS/XA operating system rather than the older MVS/370 system used with the existing batch 3033AP system. Although the odler software will be released, the MVA/XA system is more expensive, requiring an increased expenditure. In addition, there is a $12,000 increase for procurement of additional communications software such as protocol converters. These packages are required because of the need to consolidate terminal types and to expand access to mainframe data bases from minicomputers and the increasing numbers of microcomputers installed in the Library.

The final increment of the growing workload would be $245,098 for additional ADP workstations. To provide bibliographic control for the Library's collections and for the library community, the Library of Congress catalogs approximately 200,000 titles in 70 foreign languages annually. While the Library has been converting this information to machine-readable form since the late 1960's, the actual cataloging operation has remained primarily a manual process. 357 terminals ($245,098) are needed to perform the cataloging operation on-line, thereby reducing the overall time now required to make the information available.

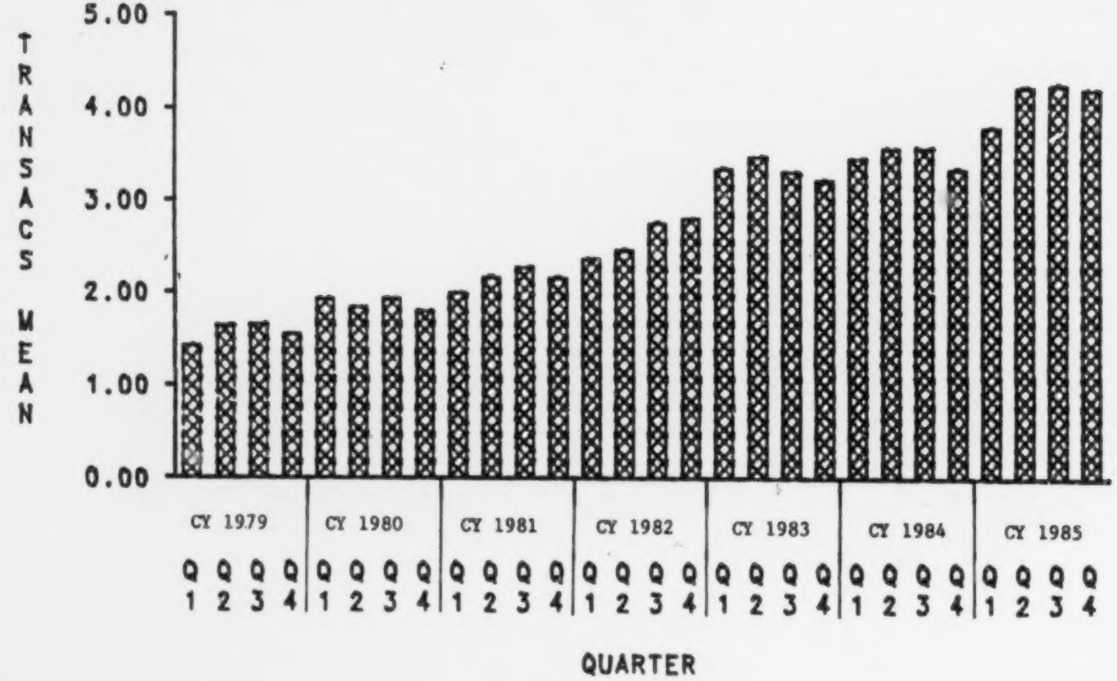
Automation which started out as a peripheral support activity for the various Library functions has in recent years become increasingly central to most of the functions of the Library, both in terms of staff use and user access to our data bases. We have a number of tracking systems for monitoring the use of our hardware, in particular the CPU. Reviewing that data for the past five years indicates a steady growth in both on-line CPU and batch CPU utilization. The number of applications on the system, the size of the data bases being accessed, the number of terminals being serviced and the frequency of terminal use have all grown steadily. A key way of measuring growth is to track the number of transactions processed. The attached chart #1 clearly indicates a pattern of consistent growth.

As the number of transactions processed increases and the capacity of the mainframe fills up, response time degrades toward an unacceptable level. This happened in late 1984 and early 1985 when 90th percentile service times tripled over the normal levels. In anticipation of that saturation point, the Automated Systems Office had already initiated a procurement for upgrading the mainframe from a 3033AP to a 3084QX4 for the on-line processing and the replacement of the 3033UP with the 3033AP for batch processing. The analysis at that time indicated that a machine of the size of the 3084QX4 was the most powerful mainframe available on the market at that time which operated under the IBM 370 architecture. Since a significantly larger mainframe would not be available until late 1986 or early 1987, the decision was made to obtain the 3084QX4. As can be noted from the attached chart #2, the installation of that mainframe reduced response time significantly.

Our current projection of the CPU use indicates that in the second half of 1987 response times will have slowed down to the point where access to the mainframe will again be a serious problem for staff relying on the automated systems and for users of the Library trying to retrieve information. In planning for this, we have taken into account the procurement cycle plus the time it takes to bring up a new CPU. This led to a request for funds to procure a larger size CPU which will be available in 1987. A 50 MIPS CPU would be procured through an advance purchase plan starting in fiscal 1987. It would replace the 3084QX4 as the major on-line Library computer; the 3084Qx4 would in turn replace the 3033AP as the major batch processing machine. Because of expensive software licenses, hardware maintenance, power and air conditioning requirements of the obsolescent 3033AP, it would not be cost effective to retain and operate this machine. Therefore, we would release it for use by another federal agency. Procurement and Supply in the Library would be advised of this availability so that they could advise the appropriate federal agencies.

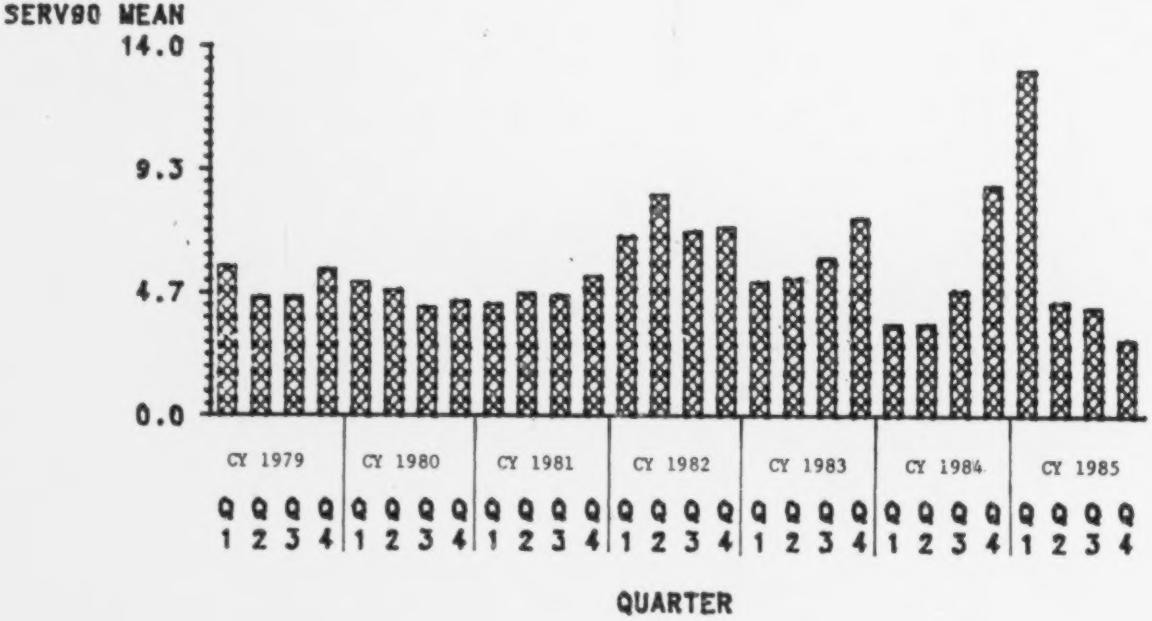
NUMBER OF TRANSACTIONS PROCESSED

(MILLIONS PER MONTH)



90TH PERCENTILE SERVICE TIME

(SECONDS)



Question: You say you need $17.9 million to maintain current services, a figure that seems unusually high. Please break it down for us.

Answer: The $17,861,331 in current level increases is broken down as follow:

R & R furniture and furnishings	$13,731,000
Regular furniture and furnishings	428,900
Ingrades and reallocations	2,469,468
Books and library materials	175,000
Sound reproductions for the blind	891,915
Replacement of machines for the blind	778,000
Other miscellaneous increases	779,048
Sub-total	$19,253,331
Less:	
Special Foreign Currency Program reduction	-442,000
Use of additional receipts	-950,000
Total	$17,861,331

Question: In last year's hearing, Mr. Welsh alluded to a 5-year plan drawn up by the Library's Automation Planning Committee. This plan, as I understand it, determined ADP policy to some extent and seeks to avoid duplication or proliferation of equipment. Please submit a copy of the plan for the record, and explain the impact of the plan on your request for the upgrade of your mainframe and the 357 new workstations. Does the committee investigate the pricing of machine rental vs. purchase? If not, who makes these inquiries?

Answer: The plan to look at future needs in a coordinated fashion includes developing strategic data planning for the Library. Currently, the Library is in the process of receiving proposals from expert consultants to facilitate this process. We anticipate the first phase of strategic data planning to be completed in the next 12 months. This long range planning effort would provide a framework for future automation efforts in the Library. Out of it would come certain ADP policy with regard to equipment and software development. Current requirements for equipment are based on analysis of near term requirements already identified. The upgrade of the mainframe will be essential no matter what the outcome of the strategic data planning effort. The 357 workstations for on-line cataloging are also a current requirement that is not going to change as we further identify our future requirements.

The Committee on Automation Planning does not investigate the pricing of machine rental vs. purchase. The Automated Systems Office has that assignment and in cooperation with Procurement and Supply Division evaluates whether leased equipment should be converted to purchase and whether initial procurements should, in fact, be done through purchase rather than lease. The determination is made on the basis of expected life of the equipment, previous experience with the equipment or similar equipment, costs savings over projected life of equipment and resources available at the time of procurement.

Question: Why haven't you consolidated the Cataloging Distribution Service computer operation with the Library's main system?

Answer: The Cataloging Distribution Service's prime responsibility is to make the Library's bibliographic products available to libraries and other institutions throughout the world. With over 40,000 customers for these computer-generated products and services, the CDS computerized operations require a dedicated mainframe because the ASO mainframes are already heavily used to support the internal needs of the Library and Congress.

In addition to a separate computer, CDS operations require a considerable amount of peripheral ADP equipment which also requires the controlled environment provided by a computer center. Occupying 3,208 square feet of space, this CDS equipment includes not only the usual disc drives and terminals, but also unique equipment to support bibliographic products, including a card reader, two card printers, and the very large, noisy OCR order form scanner and sorter for catalog cards. There is insufficient space in the Madison Building where the Library's main system is located to house this peripheral equipment.

Question: How many CDS positions are for the CDS computer operations?

Answer: Fifty-six positions are currently required to support the CDS computer operations. This represents a reduction of five positions as a result of a recently approved reorganization in that area.

Question: What savings could be reached by such consolidation?

Answer: Existing staffing levels for operating peripheral equipment, applications development and maintenance, and administrative support would have to be maintained in order to continue to enhance current product lines and initiate new services to meet emerging market needs. A continuing need for computer operators and systems programmers would be determined by the nature of the organizational structure implemented.

Question: Will the $245,000 you're requesting for ADP workstations completely automate your cataloging operation? If not, how far would the money go toward such automation? Do you have people ready to use these workstations, or will additional personnel be required?

Answer: The $245,000 requested for ADP workstations will not completely automate our cataloging operation. At this time the different types of catalogers type their information incrementally on a form. The data from the form is finally entered into the computer. There are currently terminals clustered in workstations but there are not sufficient numbers to give each cataloger his or her own workstation. It could be argued that catalogers should share workstations; however, the monthly cost of the cataloger including fringe benefits is about $2,900 and the cost of a terminal including its share of the controller is about $90. It is clear that individual workstations would enhance the productivity of the catalogers by more than the 3% of their salaries which the terminal costs.

The terminals to be installed in the Processing Services Department will allow for the conversion to on-line cataloging of 90% of the cataloging carried out in that Department. It will not allow for the automation of the Shelflisting (i.e., control of multiple copies) operation which will be automated sometime in the future. It should be noted, however, that on-line cataloging is not the only function of the Processing Services Department. As we automate other functions, it is likely that additional equipment will be necessary.

We do have people ready to use these workstations; it will not require additional personnel.

Question: Regarding your request for $2.3 million to upgrade your mainframe computer, what will this amount purchase? Does your need for the 357 workstations hinge on the fulfillment of this request?

Answer: This amount would be the first of four payments on a larger size CPU which will be available in 1987. A 50 MIPS CPU would be procured through an advance purchase plan starting in fiscal 1987. It would replace the 3084 QX4 as the major on-line Library computer. The 3084 QX4 would, in turn, replace the 3033AP as the major batch processing machine.

Our need for the 357 workstations does not hinge on the fulfillment of the above request.

Question: You are requesting $270,000 for 50 word processing machines or microcomputers. How many such machines do you now have? Are you replacing malfunctioning machines with new ones from the same manufacturers? Who oversees the purchase or lease of these machines? Does ASO from the Library give input? Approximately how many people does each word processor serve?

Answer: The original budget request included $270,000 to fund 50 machines for word processing and microcomputing. Prior to the House Subcommittee on Legislative Branch Appropriations hearings in February, we withdrew half of the request in light of the congressional commitment to reduce Federal spending and deficits and the Service's current priorities. The request is reduced, therefore, to $135,000, funding for 25 machines.

The Service has 315 machines predominantly used for word processing. The request will permit replacement of thirteen machines which are no longer manufactured or supported by the vendor and thus cannot be repaired. The replacement machines will be compatible with other more recently acquired equipment. Approximately 150 of the Service's 315 word processors are assigned to clerical staff who require them full time. The remaining machines are shared by professional staff, providing a word processing device for every 3.8 professionals. The Service's long-term goal is to have a word processor assigned to every 2 professionals, in addition to one for every clerical staff member for whom typing is a major requirement.

The Service has 119 microcomputers which are used for such applications as statistical analysis, communications, data base management, computer graphics and spreadsheet analysis, providing one microcomputer for 5.3 professionals. The revised request will support acquisition of 12 additional machines, resulting in a ratio of one machine for every 4.8 professionals. CRS' long-term goal is to provide a microcomputer for every two professionals.

The Service's request for microcomputers and word processors is submitted to the Library's Committee on Automation Planning and to ASO for evaluation as provided by the Library-wide ADP planning process. The Library's Procurement and Supply Division is responsible for the acquisition of all such equipment, in coordination with ASO.

Question: Dr. Boorstin, tell me for the record how the programs of the Library of Congress, especially the cataloging program, help libraries in the state of Arkansas.

Answer: Libraries in Arkansas benefit from Library of Congress programs in a number of ways. Over 118 libraries in Arkansas are subscribers to the bibliographic products prepared at the Library of Congress and distributed by the Cataloging Distribution Service. The University of Arkansas, for instance, which acquires approximately 20,000 titles a year, estimates that 75 percent of their cataloging information is Library of Congress cataloging data. The percentage figure would be higher for public libraries, thereby saving Arkansas libraries countless dollars in cataloging costs. The National Library Service for the Blind and Physically Handicapped provides talking books and books in braille to over 4,563 Arkansas readers through the regional library in Little Rock. In addition, there are 313 deposit collections of reading materials in Arkansas institutions that have visually or phyiscally handicapped residents.

The Library of Congress regularly loans books on interlibrary loan to libraries in all 50 states.

Arkansas libraries benefit indirectly by research and development in such areas as technical processing, automation, and preservation.

STATEMENT OF BELC AND EELC

Senator D'AMATO. We have received a statement from the Black Employees of the Library of Congress and the Ethnic Employees of the Library of Congress which, without objection, will be included at this point in the record.

[The statement follows:]

Statement of Howard R.L. Cook, Executive Director, Black Employees of the Library of Congress, and Vice President, Ethnic Employees of the Library of Congress; and George E. Perry, President, Ethnic Employees of the Library of Congress, and General Counselor, Black Employees of the Library of Congress

Mr. Chairman and Members of the Subcommittee:

We want to thank you for this opportunity to appear before this Subcommittee to describe the needs of the Library of Congress for FY 1987, as we discern those needs.

The question for this Subcommittee on the occasion of our appearance to discuss the budget for the Library of Congress for the Fiscal Year 1987 is Whether or not that Agency is honest when it does not permit its two minority employee organizations to function within its walls.

Is that Agency also honest and a Fortress of Freedom when it leaves the impression through a spokesman on its behalf that equal employment opportunities are available to minority employees?

The answer to the question is that the Agency is not honest and it is not a Fortress of Freedom when it knows that 114 new complaints of discrimination were filed with its Equal Employment Opportunities Complaints Office from September 30th 1984 to October 1, 1985.

These two questions go directly to the point of whether or not appropriated funds are being honestly used.

There were 169 discrimination complaints pending at the beginning of Fiscal Year 1985.

The Equal Employment Opportunity Complaints Office received 33 new complaints from October 1, 1985 to January 31, 1986.

There were 153 complaints of discrimination pending as of January 1986.

The workload of pending discrimination complaints with the Equal Employment Opportunity Complaints Office as of this writing totals 193 complaints.

On an average 4 to 5 employees are involved in each complaint of discrimination.

It is alarming that in the Library of Congress as of this date the workload of pending discrimination complaints numbers 193 which as calculated above could involve as many as 900 to 1,000 employees or about 20% of the entire Library of Congress staff.

This certainly represents a crisis in the use and management of appropriated funds provided the Library of Congress administration.

Information to date leaves us extremely concerned about the impact of Gramm - Rudman - Hollings on minorities and their employment at the Library of Congress. The reason for our concern is that the information supplied to us has indicated that minorities are being more severely impacted by Gramm - Rudman - Hollings than are majority employees.

This is particularly true because the lower-graded employees who comprise the bulk of the minorities have been hardest hit.

We urge upon you to exercise your oversight authority to assure that minorities are not disproportionately impacted by the current wave of budget cuts. Careful consideration should be taken to assure that the last hired - first fired syndrome as it relates to minorities does not occur. The information we have also indicates that the one example given by the Library of Congress administration demonstrating that management was being cut also was that of a Black woman.

Suggestions that we have as a way of saving money in the Library of Congress would be to streamline several offices which have the same or complementary functions into one office.

These offices are: The Staff Relations Office, Labor Relations Office, Office of Counsel to the Director of Personnel, Office of General Counsel and the Health Office.

The Staff Relations Office, the Labor Relations Office, the Office of Counsel to the Director of Personnel and the Office of General Counsel could all be placed under one chief rather than as it is now - four different chiefs.

The Health Office could be staffed by two nurses and one support person eliminating the need for a full-time physician who serves as chief of the Health Office. The reason this could be accomplished without difficulty is because the Health Office does not become involved with actual treatment of employees by the Library's physician.

The Congress could also save money by not overloading the Library's Equal Employment Opportunity Complaints Office with additional disfunctioning staff. We regret to tell you that the efforts made by Congressman Hawkins to add staff to the Equal Employment Opportunity Complaints Office appears to have done very little if any good. The reason Congressman Hawkins' efforts failed is because there was no follow-up oversight to back the efforts with commitment and will.

We have argued in the past that it is not the number of staff but rather the will of the Librarian and his administration to assure Equal Employment Opportunity by permitting the Equal Employment Opportunity Complaints Office to function as it should according to law.

This is just one group of suggestions. There are other areas where lots of fat exists and economies could be made without doing any damage to the mission of the Library of Congress to serve the Congress and the public.

We have noticed so far that the economies have been taken in areas affecting the public in an attempt to apply political pressure on the Congress by causing constituents to be offended by the disruptions.

These economies have occurred by closing the doors, shortening the hours of operation and by elimination of certain telephone reference assistance to both the Congress and the public. We strongly believe that substantial economies can be achieved in the operation of the Library of Congress without any cuts whatsoever in the services to the Congress and the public.

The general theme of knowledge and the existence of knowledge in history has been discussed extensively as a reason for opposing cuts in the Library budget.
We agree that knowledge is all-important but disagree with the idea that all materials coming to the Library contain knowledge important or unique enough to require expenditure of Federal funds for the processing and maintenance of these materials. A large amount of the materials which come to the Library of Congress is pure junk. The claim put forth that budgetary cuts would cause the flow of knowledge to be damaged to the point of destroying our nation cannot be accepted as reality. This is true because there has to be a method of selecting out the real knowledge from the ephemeral knowledge.

Great issue has been made out of the availability of the Playboy magazine in braille. The big fuss is about First Amendment rights. We strongly believe that both the Librarian of Congress who appears to stand on both sides of the issue and members of Congress who stand with him in the invoking of the First Amendment demonstrate hypocrisy.
This hypocrisy is clearly brought to mind when realizing that attempts by employees of the Library of Congress have been made to expose fraud and corruption at the Library of Congress to Members of Congress only to be cut down by the Library administration by denial of the right to earn a livelihood.
No Congressional Members or Library of Congress officials have bothered to file any friend-of-the-court (amicus curiae) briefs on behalf of the messengers of truth.
There must be efforts made by Members of Congress to assure First Amendment protections to whistleblowers at the Library of Congress equal to that protection sought for Playboy magazine which contains material objectionable to certain segments of society.

LIBRARY OF CONGRESS, WASHINGTON, D.C. 20540

March 18, 1986 8:15 a.m.

Senator Mark Hatfield
Chairman
Committee on Appropriations
United States Senate
S-128, U.S. Capitol
Washington, D.C. 20510

Dear and Good Senator Hatfield:

The problem of the Library of Congress
is not one of money;
it is rather a problem
of human relations.

The Library of Congress
is being destroyed not
by the lack of money
but by the lack of love.
That also was the problem
in the destruction of
the Library of Alexandria.

You are personally familiar
with the work of BELC-EELC
for many years. BELC-EELC
has always been, is now, and will
be in the future ready to reduce
the level of conflict
if the other side will reveal
its God-granted Good Element.

Respectfully submitted,

George E. Perry

George E. Perry
president, EELC
general counselor, BELC

EXECUTIVE SESSION

Senator BUMPERS. Now, Mr. Chairman, are we about to go into executive session?

Senator D'AMATO. Yes; we are.

Dr. BOORSTIN. Thank you, Mr. Chairman. I am at your disposal any time. It has been a pleasure.

Thank you.

[Whereupon, at 11:45 a.m., the subcommittee recessed the open hearing and proceeded in executive session.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1987

THURSDAY, JUNE 26, 1986

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 8:58 a.m. in room S–128, the Capitol, Hon. Alfonse M. D'Amato (chairman) presiding.

Present: Senators D'Amato and Stevens.

GENERAL ACCOUNTING OFFICE

STATEMENT OF CHARLES A. BOWSHER, COMPTROLLER GENERAL OF THE UNITED STATES

ACCOMPANIED BY:
- MILTON J. SOCOLAR, SPECIAL ASSISTANT TO THE COMPTROLLER GENERAL
- FRANCIS X. FEE, ASSISTANT COMPTROLLER GENERAL FOR OPERATIONS
- RICHARD L. BROWN, CONTROLLER

OPENING REMARKS

Senator D'AMATO. This morning, we will receive testimony on behalf of the fiscal year 1987 budget request of the General Accounting Office, the Government Printing Office, the Office of Technology Assessment, and the Congressional Budget Office.

Beginning this morning's testimony will be the Comptroller General on the GAO budget request. I understand Mr. Bowsher has another hearing this morning, and we want to accommodate him. Senator Stevens and Senator Bumpers want to be here as well.

In particular, they have concerns with the CBO and OTA. I will attempt to arrange sequences of witnesses to accommodate their schedules.

Mr. Bowsher, good morning.

Mr. BOWSHER. Good morning.

Senator D'AMATO. We are trying to get through this to accommodate you. We have your prepared statement which will be printed in its entirety. You may proceed to summarize it.

BUDGET REQUEST

Mr. **Bowsher**. We will briefly summarize. We are requesting this year $349 million to fund 5,200 average positions. We know that you are under pressure on the budget, but if we can stay at around 5,100 to give us the ability we had for a year or two, that is really what we need most of all.

We have issued a number of reports for the Congress. Although we took our Gramm-Rudman cuts along with everyone else, we are getting through the year in fairly good shape. We have a hiring freeze on at the present time, but if we can stay at about the same size we are now, we will be able to manage. That is pretty much our summary.

[The statement follows:]

STATEMENT OF CHARLES A. BOWSHER, COMPTROLLER GENERAL OF THE UNITED STATES

I am pleased to discuss GAO's budget request for fiscal year 1987. The Justification of Estimates for that year, which you already have, describes our request in detail.

In fiscal year 1987 we are requesting $349.6 million to fund 5,200 average positions. This will provide funding for an increase of 100 average positions over those authorized in 1985. It is another step toward achieving the 5,500 average position level which, barring current budgetary constraints, will permit us to properly fulfill GAO's total responsibilities.

We have reviewed the effects of Gramm-Rudman-Hollings on the GAO for fiscal year 1986 and have taken some specific management actions which I would like to review with you in more detail later in my statement. The effect of these reductions on our fiscal year 1987 request, however, is still uncertain and difficult for us to predict. I expect that as we get closer to bill mark-up, we will know better where we stand and will be able to work with the Committee to make appropriate adjustments, if necessary, to our fiscal year 1987 estimates.

GAO's work has always been of value as we seek ways to improve the effectiveness of government programs; however, GAO's work should be of increasing importance as the Congress looks for ways to trim deficits in accordance with the goals of the Balanced Budget and Emergency Deficit Control Act, and as we seek ways to improve the effectiveness of government programs. If we continue to receive the necessary resources, I believe we can respond to congressional needs with high-quality, timely work which the Congress can rely on in making difficult decisions. Our record of accomplishment shows that we annually return considerably more in savings than is appropriated to us.

GAO WORK IN FY 1985

1985 was an excellent year for GAO. We issued 586 reports, 366 of which were requested by committees and members of Congress. In 1985, the quality and usefulness of GAO's work continued to improve, and we initiated major efforts to improve the format and timeliness of our reports. Most importantly GAO recommendations to Congress and agency officials contributed to improved government operations in numerous areas.

In fiscal year 1985, GAO again demonstrated its ability to save significant dollars from agencies' programs and appropriations by identifying $11 billion in measurable savings. In the 4 1/2 years that I have been at GAO, our work has resulted in total measurable savings of $26.7 billion. These are real dollar savings involving budget reductions, collections, and better use of available resources.

We believe fiscal year 1986 will also be an excellent year. For fiscal year 1986, as of June 20, we have issued 475 reports of which 362 were produced in response to requests from committees and members of the Congress.

Some examples of these savings in fiscal year 1985 follow.

Tax Policy and Administration

On a number of occasions, GAO informed the Congress that voluntary compliance with the nation's income tax system was decreasing and that additional staff at IRS would cause a large and immediate flow of tax revenues. As a result of GAO's work, Congress provided the IRS with over 5,000 additional positions. IRS estimates that this initiative has resulted in a net increase in income tax collections of about $2.9 billion in the first year and an average annual increase of slightly more than $3 billion in subsequent years.

Army

In a series of reports, congressional briefings, and testimony on the Army's plan to procure the Sergeant York gun (also known as the DIVAD gun), GAO expressed its concern that the Army would procure a weapon that had not proven itself in testing. The Secretary of Defense ordered additional testing before committing the government to further procurement of the Sergeant York gun. When the weapon did not perform well in the tests, the Secretary cancelled the program resulting in a savings of over $1 billion.

Energy

The Department of Energy enriches uranium for use as fuel in nuclear power reactors. Since 1980, GAO has questioned the justification for building a new, multibillion-dollar enrichment facility known as the gas centrifuge enrichment project. GAO found that the demand for the Department's enrichment services had decreased dramatically since the project was authorized and recommended that the Department demonstrate that the centrifuge project was needed and more economical than other technologies. After the Department completed the analysis we recommended, the Secretary of Energy decided to cancel the project because the analysis did not support continuing construction. This action resulted in savings of $822 million.

Navy

GAO reported that the Navy had prior-year shipbuilding and conversion funds that were no longer needed and could be used for other purposes. Acting on this information, the Congress made these funds available to cover Navy personnel and operation and maintenance expenses in fiscal year 1985. This action precluded the need for Congress to provide $323 million of new appropriations to cover other expenses.

Health Financing

GAO recommended that the Social Security Administration (SSA) provide states with insurance information on Medicaid/Supplemental Security Income applicants so that the states could identify medical claims that private insurers should properly pay. Acting on GAO's recommendations, SSA and the Health Care Financing Administration (HCFA) conducted a successful pilot project. HCFA estimated that, by using this information, participating states are increasing the amount of health care costs paid by private insurers and reducing both federal and state Medicaid costs. The estimated financial benefits from our recommendations are $45.7 million.

MAJOR INITIATIVES

Since I became Comptroller General in 1981, requests from committees and members of Congress, including bill reports and legislation, have shifted GAO's workload priorities. In fiscal year 1981, 39 percent of our work effort was in direct response to congressional requests; this proportion continued to rise and in fiscal year 1985, this level rose to 57 percent; and in the first quarter of fiscal year 1986, this upward trend continues with the percentage rising to 71 percent.

In September 1985, I issued a memo to GAO staff clearly stating that responding to congressional requests is GAO's top priority. As a result, GAO has placed considerably more emphasis on responding more quickly to congressional requests and on improving the efficiency and effectiveness of its work.

During 1985, progress was made in each of the major areas of interest discussed during our last appropriation hearing. Let me summarize.

Timeliness of Reports

Beginning in 1985, we began to develop new products with the intention of providing the results of our work to the Congress more quickly. We now have a new set of products called briefing reports and fact sheets. These products are designed to provide information and analysis quickly and concisely--usually in tables, charts, or graphs--and are prepared and signed by our associate directors. The products can be tailored to the specific needs of the Congress and can usually be prepared and issued more quickly than a formal report. You may recall, Mr. Chairman, that we used one of these new products to respond quickly to a request that you made at last year's hearing on the impact of the potential closing of hundreds of Social Security district offices. For fiscal year 1986, from October through the end of January, we had issued more than 50 of these new products.

As part of our emphasis on timeliness, we are continuing our program of moving report review functions to the operating divisions. The Program Evaluation and Methodology Division and the

Accounting and Financial Management Division assumed review responsibility March 1 and April 30, respectively. The Information Management and Technology Division will assume this responsibility by fiscal year-end. Moving report review functions to the divisions speeds up report processing.

Even with our increased emphasis on timeliness, GAO must and will maintain its high standards of quality and accuracy. We will continue to experiment with ways to achieve consistently high-quality products in the most efficient ways possible.

Long-Range ADP Plan

GAO has spent an intensive 6 months in developing a long-range information resources plan. A combined team of GAO and contractor staff interviewed several hundred staff members on many levels of the organization to define the agency's requirements for information resources. The team also utilized the information developed as part of the former CAMIS program. The team worked closely with our divisions, regions, and offices to refine this data and to build it into a framework that would meet GAO's evolving needs. A steering committee of GAO's executives has worked with the project team to ensure that the plan would be operationally, as well as technically, sound. We will discuss the plan with the Committee staff before it is finalized and will provide a copy to the Committee.

Executive Education

GAO initiated its Technical Executive Education Program in fiscal year 1986 with the development and implementation of four 1/2 day briefings and five extended in-depth seminars in the areas of design/methodology, economics, microcomputer and quantitative skills. These seminars will be continued until all the SES and the GS-15 staff training needs have been met.

For fiscal year 1986, through April 30, 108 senior executives have attended these seminars.

Also, in fiscal year 1987, two executive technical seminars will be added; one in the area of data reliability and the other concerning current national policy issues. As additional areas are identified in which the skills of our executive staff need updating or strengthening, they will be added to the curriculum.

The core technical curriculum for career-level evaluators is now in place and it continually updates our journeyman-level evaluators in new methods and skills; many of the skills identified by our executive panels in the financial management, economics, and methodology areas during fiscal year 1985 are now being taught to large numbers of staff.

Financial Management System

In fiscal year 1985, GAO procured a financial management system package which will result in some interim changes to our financial management system pending the completion of our long range ADP plan. Installation of these interim changes is proceeding well, and they should be operational by the beginning of fiscal year 1987. ~~They will~~ replace some antiquated portions of existing financial management systems, and will enable GAO to prepare its financial statements in accordance with generally accepted accounting principles and standards.

Office of Affirmative Action Plans

Following last year's hearing, I decided to settle two pending discrimination class action suits before their appeal to the federal courts. I very much appreciate your support of this decision by appropriating the necessary funds to make the required payments.

I want all GAO staff to fully develop their potential and to be treated fairly in all aspects of our operations. In keeping with this, I recently established an Office of Affirmative Action Plans, reporting to the Assistant Comptroller General for Operations. This new office is assuming certain responsibilities previously assigned to our Civil Rights Office.

The organizational placement of the new office is intended to directly link GAO's affirmative action program with employment, promotions, and other line functions. The office will work with GAO officials to establish individual unit goals and timetables for hiring and promoting women and minorities and will monitor progress toward achieving the goals.

Office of Publishing and Product Communications

I have consolidated publishing functions that were dispersed among various offices in the GAO, into the Office of Publishing and Product Communications. This office will now manage such things as visual communications and presentation standards, in addition to the printing and reproduction functions it performed in the past.

Assignments to Congressional Committees

The conference report on our fiscal year 1986 appropriations bill requested GAO to analyze the impact of assignments of staff to congressional committees and to make recommendations to correct any problems that are identified.

The number of requests for staff has increased modestly in recent years. In fiscal year 1985, we assigned 117 staff members to congressional committees for periods up to a 12-month limit. Several committees use GAO frequently, and in some cases we have had to make exceptions to the 1-year limit for assignments to committees.

Generally, GAO is not reimbursed for salary, travel or other expenses incurred by GAO staff, with the exception of the Surveys and Investigations staff of the House Appropriations Committee. This staff consistently reimburses GAO for travel expenses. Also, during 1985, we were reimbursed for travel expenses for staff assigned to the House Committee on House Administration to recount ballots in Indiana, and are from time to time reimbursed for travel expenses incurred by GAO staff assigned to other House and Senate Committees.

During our review we have identified 2 principal issues that we need to explore further before we can determine whether specific recommendations to the Committee are necessary.

1. Regarding instances where individuals assigned to committees have been extended beyond one year, it is important for us to enforce the 1-year rule if we are to maintain continuity in our own operations as well as in the individual's personal development program. A 1-year tour permits our people to grow in experience, which is essential to their career development when they return. We cannot always convince the committees involved of the need to plan committee work so as to avoid overly long retention of GAO personnel.

2. Committees periodically request GAO people by name. Depending on an individual's job assignment, honoring a named request can be difficult without seriously disrupting other priority work. Our policy is to send the best possible staff to the Hill, consistent with the nature of the request. We must retain the flexibility in assigning staff to give more of our staff the experience of working for a committee and to demonstrate to the requesters the full range of capabilities of the GAO staff. We need the flexibility of insuring that a maximum number of GAO employees have the opportunity for a congressional detail.

I am concerned, however, that as the effects of Gramm-Rudman-Hollings are felt by congressional committees, GAO may be called upon more frequently to assign staff to committees. I will monitor this situation and will keep the Committee informed if problems arise that we cannot resolve.

Office Closings

GAO is closing its office in Panama City, Republic of Panama, effective September 30, 1986. This office assists our Washington divisions in doing programmatic work in Central and South America, and in doing a financial audit of the Panama Canal Commission. GAO will still be responsible for doing this work. However, each assignment will be staffed from our Washington offices with some assistance from our regional offices.

We also plan to close our Anchorage, Alaska, and Cocoa Beach, Florida offices by the end of this fiscal year. Changing priorities, decreasing workload, and opportunities for economies in operations are the primary reasons for the closings.

1987 REQUEST

I recognize this will be a difficult year to authorize any increases in staff size. But, I believe our request is justified. GAO plays an important role in identifying areas where government can be improved. During the next several years, a strong, well-staffed GAO will be one of the most important assets Congress has for making the difficult decisions necessary to reduce the budget.

As noted earlier in this statement, we are requesting an increase of 100 average positions over the level authorized for fiscal year 1986. We intend to use them in issue areas that continue to demand extra resources--staff that cannot otherwise be made available to accomplish our increasing workload.

The breakdown of that request follows:

---25 in the defense area to provide more coverage on defense procurement matters and the way DOD acquires military goods and services.

---35 to help us meet defined objectives in our reviews of complex government-wide ADP and telecommunications programs.

---25 for conducting audits of agencies' financial operations.

---15 to conduct special investigations of alleged fraud, waste, and abuse in federal programs. We are receiving a considerable increase in requests for investigations, an area where GAO has not been active in the recent past and where we lack sufficient expertise.

Investigations

I will soon be announcing the establishment of an investigations group in the Office of the General Counsel. This group will be primarily responsible for investigating alleged problems of waste, fraud, and abuse in federal program management. The initial staffing will be limited because of budgetary constraints and to assure we develop appropriate policies and procedures for doing this type of work well. I will keep the committee informed of our progress. Establishment of this group is in direct response to the questions raised by you and other committees concerning GAO's lowered involvement in this type of evaluative work.

Governmental Accounting Standards Board

This year we are making the second of 2 payments of $50,000 as a federal contribution to the establishment of the Governmental Accounting Standards Board. I am asking that the provision authorizing this payment in our appropriation language not be deleted as the committee intended last year. I believe that this modest sum should continue to be provided for the 3 years that remain before the Board's scheduled review. Doing so will ensure full implementation of the Board's original goals of determining uniform accounting standards for state and local governments. We also hope that some of the Board's work may be applicable to the federal government, in which case we would seek to adopt these rules as part of our regular process of setting accounting standards for federal agencies.

BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

The Balanced Budget and Emergency Deficit Control Act of 1985, commonly referred to as Gramm-Rudman-Hollings, affected GAO in two ways:

(1) GAO played a major role in implementing the act in fiscal year 1986, and

(2) GAO's resources were reduced in accordance with the President's February 1, 1986, Executive Order. Allow me to summarize these two actions.

GAO's Role

The act required the Comptroller General to review the reports of the Directors of the Congressional Budget Office and the Office of Management and Budget and to issue a separate report to the President identifying the specific cuts that were to be made in each program, project, and activity. The Comptroller General was required to independently analyze the Directors' report and the underlying support and, based on this review, to issue his own report specifying the percentages and amounts by which programs are to be reduced. The Comptroller General's report was issued on January 21, 1986, in accordance with the act. GAO staff were used to conduct the necessary analysis, and a select group of consultants was used to assist in assessing the economic assumptions and the Department of Defense expenditure estimates.

The act also requires that the Comptroller General issue a report on April 1 specifying whether or not the President's sequestration order complied with the act. Our report was issued on March 31, in accordance with the act.

As you know, a special district court ruled on February 7, 1986, that the Comptroller General's role in administering the act is unconstitutional. This decision was appealed to the Supreme Court. Oral arguments were heard on April 23 and we are now awaiting the court's decision.

Impact on GAO's Operations

Like all government agencies, GAO is subject to the act's provisions. We are taking steps to reduce GAO's budget by 4.3 percent. To accomplish this, we have:

--Implemented a hiring freeze for the remainder of the fiscal year. Use of average positions will be decreased by 58, eliminating completely the growth planned for fiscal year 1986 over 1985. While this reduction hopefully is achievable through attrition, inability to replace critical vacancies such as attorneys, computer specialists, secretaries, and accountants has impaired GAO's ability to do some of its work, which includes some congressional assignments.

--Reduced funds available for travel by $2.85 million. This required an elimination of travel for almost all administrative purposes, a reduction in supervisory travel on jobs, and a reduction in the scope of some jobs. Efforts are being made to insure that the integrity of our jobs is not compromised, but we may have to defer some jobs pending availability of additional resources.

--Reduced training by 34 percent, or $0.8 million. Although this will permit us to continue institutional courses for new evaluators, it has limited technical training of middle and senior level staff and has dramatically reduced GAO staff's presence at external conferences, seminars, and workshops where travel and/or registration fees are required. Attendance at those forums is intended to enhance the knowledge and skills of evaluators and managers to perform GAO's scope of assignments by permitting them to be exposed to the latest developments within their chosen areas of expertise.

--Reduced timesharing and other ADP services by about $880,000. The scoping of some jobs had to be revised with some work being postponed until more resources could be identified. Planned alterations to administrative systems will be deferred.

--Sharply curtailed contracts for services of experts in fields where GAO lacks such expertise. We are concerned about the impact of this reduction on the scope and timeliness of certain reports to the Congress and will take precautions to maximize the availability of funds for congressional work.

If no unusual demands are placed on GAO by the Congress for the balance of the fiscal year, we should be able to abide by these and the other planned reductions.

It would be premature to speculate about the effect on our operations of a possible sequester in 1987. We do not yet know if a sequester will be required, how large it might be, or the base from which it would be taken. As events unfold, we will keep you fully informed of any actions we may be required to take.

CONCLUSION

We believe that the Congress will continue to look to GAO for assistance in solving very difficult program administration and funding problems. GAO needs to be staffed with effectively trained personnel to adequately respond to increasing requests for information from committees and members of Congress. You have supported us in the past and we hope you will continue to do so in the coming years. This ends my formal statement, Mr. Chairman. I am pleased to have this opportunity to respond to your questions.

SYSTEMATIC DEFENSE BUDGET NOTIFICATION SYSTEM

Senator D'AMATO. I am going to put just one or two questions to you, and then submit the others for the record. Last year, we asked you to identify a systematic notification process and potential cost savings in the Defense budget. What progress has been made in regard to that?

Mr. BOWSHER. We have made quite a bit of progress as far as studying the issue you raised. That was a $4 billion inflation question when it came up. We actually can identify up to $44 billion of what we call the inflation factor over there.

We cannot tell where it went. We can give, and we have given, various congressional committees a rundown as best we can. But with the budget and accounting system over there, why, they don't have it done.

We have made recommendations. I understand that they are under consideration, but we don't have a system that the Defense Department has agreed to. The Comptroller over there met with me, and he said he would make it one of his three top items. Hopefully, they can make some progress. We are continuing to work with them.

But as far as the magnitude of the problem, it was a significant problem that you and some of the other members raised with us last year.

Senator D'AMATO. Do you think they have an idea of how much they have and where it is?

Mr. BOWSHER. They don't. One of their problems is in these procurement appropriations. As the obligational authority is given to them, they have it and they work off of it, but what they don't have, except in a few procurement appropriations, is a real matchup with what work has to be done to complete the program and the dollars that are literally in the checking account.

This is something that is long overdue as far as getting on top of it, and until they do, they really are not on top of the procurement appropriations.

ADEQUACY OF HOUSE MARK FOR GAO

Senator D'AMATO. The House mark falls about $45 million below your fiscal 1987 request. How will that affect you, and how will that cut your operations and production next year?

Mr. BOWSHER. It meets less than what we were originally hoping for, but that is a pretty good mark for us. We can keep going at what we are doing right now with that mark.

That gets us to the 5,100-position level with the average of 5,042, and it allows us to do the basic training and traveling. Our people have the ability to travel out to the sites to do the field work and the ability to train our people. If we add money to do that, we can continue to give you the service and the number of reports that we are giving at the present time.

What it doesn't do is allow us to enhance our capability in computers and a few issue areas like defense that we would hope to build up our capability, but we understand the budget pressure.

CHAIRMAN'S COMPLIMENT OF GAO WORK

Senator D'AMATO. In my opinion, I think you do a good job.

Mr. BOWSHER. Thank you.

Senator D'AMATO. Even though the requests come to you in the manner they do, I think your work is absolutely outstanding, and that most Members of the Congress would agree with me. You have been looked upon as an official spokesman in some very difficult cases. You are viewed as making your calls in a very nonpartisan manner.

We have suggested, I think, certain areas where we could get beyond dollars and cents. I think your overall work is really to be commended, and the American public is very much aware of the General Accounting Office and its work. It has come to bring great respect and great credibility when you make a determination.

I am going to submit the other questions in writing.

Mr. BOWSHER. Fine.

ASBESTOS IN GAO BUILDING

Senator D'AMATO. But I am going to ask you just one thing. What is happening with the asbestos problem?

Mr. BOWSHER. That is a real problem. We are trying to get it taken out of the building. The GSA people are in charge of it. We are trying to monitor them, you might say, as they are doing it. We just had an unfortunate situation where they came in with a work crew and started working and disturbing some section that we didn't even know was going to be worked on in our building.

Senator D'AMATO. Just the worst kind of thing.

Mr. BOWSHER. The worst kind of thing that can possibly happen. We worked around the clock that weekend and got it cleaned up and got the dust level down. It will continue to cause problems until we get it out of the building.

One thing that disturbs the hell out of me is they now want to move our Philadelphia office into a building that they are taking the asbestos out of. We would very much like not to have to go through it in any of our other locations.

Senator D'AMATO. Start doing a little auditing on that. Do you want an official request to come from me?

Mr. BOWSHER. No; we are working on the matter.

Senator D'AMATO. It would be one group I would think they would not want to mess around with.

Railroad Accounting Principles Board

I know you have a statement on the Railroad Accounting Principles Board.

Mr. Bowsher. Yes; and I have Rick Yager with me, who is the Executive Director of the Board. In summary, we are asking for the last year's money to complete our work and allow the Board to go out of business in fiscal year 1987. At this point in time, we are still expecting that we can complete our work, issue a set of principles, and present our report on schedule. If you want to ask Rick any additional questions, that will be fine.

Senator D'Amato. The statement will be sufficient. It is good to see you again.

Mr. Bowsher. Good seeing you again, Senator.

Senator D'Amato. Let me know what happens with GSA, because if you can't move them, nobody can. [Laughter.]

Mr. Bowsher. OK.

[The statement follows:]

STATEMENT OF CHARLES A. BOWSHER, CHAIRMAN, RAILROAD ACCOUNTING PRINCIPLES BOARD

I am appearing before you today in my capacity as chairman of the Railroad Accounting Principles Board to discuss the budget estimate of $750,000 for Board operations during fiscal year 1987. Before describing the details of our budget estimate, I would like first to review briefly for you the Board's activities since we last appeared before this subcommittee.

As you recall in our last appearance, I had just appointed six Board members and the executive director who would work with me. Since that time, Mr. Yager, the executive director, has organized the office and has increased the full-time staff from one person in February 1985, to 12 people today.

The Board has held 13 meetings to date. In these meetings, we have heard presentations of position from the Interstate Commerce Commission, the Association of American Railroads, and shippers. We also requested comments from the public through a Federal Register notice on issues which the Board should take up. Based on the comments received and the Board's discussions, the staff developed a work plan centered around the six major issues which the Board has agreed to consider:

- the appropriate entity to be covered in collecting cost and investment information;
- how annual expenses should be used for costing purposes;
- how capital costs should be measured;
- what principles should underlie a general-purpose costing system;
- what departures from general-purpose costs are required; and

- what level of detail is necesary for reporting costs, operating statistics, and revenue.

As a part of the Board's work plan, the staff prepared a discussion memorandum for public comment raising those six major issues, 25 related issues, and 21 additional questions. The discussion memorandum was issued on January 31 with comments received on March 31 and April 30.

Currently, the staff is conducting research and preparing papers on each major issue. The Board has established a schedule for considering each of the issues which takes us through fiscal year 1986 and into fiscal year 1987. We have taken up three issues at our last three Board meetings and so far have kept to our schedule.

During fiscal year 1987, the Board will:

- complete its consideration of the major issues, establishing principles to resolve these issues and developing recommendations for implementing the principles;
- prepare an exposure draft of the principles and recommendations so that the public has an opportunity to comment in writing;
- conduct public hearings on the exposure draft;
- complete and submit a report to Congress which takes into consideration the comments received;
- prepare for Congressional hearings on the principles and their implementation if Congress wishes to hold such hearings;
- meet with ICC representatives and others regarding implementation of the principles; and

- complete and wind up operations of the Board and its staff.

The Board expects to complete these activities by September 30, 1987.

The fiscal year 1987 budget request of $750,000 is less than the $1 million originally authorized by the Staggers Rail Act for the third year of operation of the RAPB. This is, we believe, the minimum amount necessary to complete the task of developing accounting and cost principles for regulatory purposes under Title 49.

The fiscal year 1987 budget estimate was developed as follows:

- $575,000 Salaries and Related Benefits of the members of the Board, permanent professional staff, part-time consulting assistance, and administrative support.

- $ 63,000 Travel of the Board's staff to gather data from shippers, rail carriers, and others to facilitate development of the "principles," and to permit the Board and staff to hold hearings on the exposure draft at locations outside of Washington, DC. It will also cover Board members' travel to RAPB Board meetings.

- $ 61,000 Contractual services, computer services, and reimbursement to other government agencies for administrative and personnel services.

- $ 51,000 Costs of space and services, communications, utilities, printing and reproduction, and supplies and materials.

This statement covers, in general, a summary of the Board's activities. I will be glad to answer any of your questions.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

Defense

Question. Last year we asked you to identify a systematic notification process of potential cost savings in the defense budget. What progress have you been able to make?

Response. Because DOD does not have a systematic financial management process for readily identifying cost savings in its budget, it is difficult for DOD and GAO to develop a systematic notification process for reporting potential cost savings in its budget.

However, during the past year, we have devoted extensive efforts toward the study of potential cost savings in the Department of Defense. This work has not only yielded substantial cost savings in current budgets, but also has led to recommendations for more systematically identifying such cost savings in future budgets.

One important set of evaluations which we have conducted involves the funding of inflation throughout the defense budget. Last September, we reported that between fiscal years 1982 and 1985 the DOD received $36.8 billion in excess inflation funds. This spring we have issued two additional reports which extended this estimate through fiscal year 1986 and reported the dividend to be $44.5 billion.

In all of these reports we have made recommendations for improving the financial management systems of the DOD. In the September 1985 report we recommended that the 1.3 multiplier for budgeting for inflation in major weapon systems be eliminated. This was done in the Administration's fiscal year 1987 budget submission. We also called for improved monitoring of inflation funds and unobligated balances in the DOD. Sections 1406 and 1407 of the Fiscal Year 1986 Defense Authorizations Act mandated that DOD provide additional reporting of these funds. We are currently working with staff members of the House Armed Services Committee to draft language specifying new budgeting and accounting procedures for these inflation funds.

Another important set of evaluations is GAO's annual reviews of the current year DOD budget request and previous years' appropriations to identify potential cost savings. While we do this at the specific request of the Subcommittees on Defense of the House and Senate Committees on Appropriations, we are increasingly briefing staff members of various subcommittees of the House and Senate Armed Services Committees.

For example, in the Navy we are reviewing the fiscal year 1987 budget requests for ship, aircraft, weapons, other equipment, and operations and maintenance. This year we have expanded our review efforts to cover the Navy's request for research, development, test and evaluation. All together we are covering about $72.0 billion of the Navy's $103.5 billion requests. In the Army, we are covering major systems such as the M-1 tank, Bradley Fighting Vehicle, major aircraft and missile programs, and in the Air Force, the major aircraft and missile programs.

For each budget account or major weapons program selected for review we cover the key items most likely to impact the validity of the budget estimate. The principle ones are:

- changes to estimates in the budget,
- requirements,
- programmatic issues that could affect costs, schedule, and performance,
- effects of the Gramm-Rudman-Hollings Act, and
- many other areas.

A number of factors can affect the quality of a budget estimate. Much of the GAO budget work involves updating budget estimates that may have been valid at the time of the President's budget submission but which later events have affected. The Department of Defense's position is that its budget does not change once it is submitted by the President. However, events do happen that affect budget estimates. Major occurrences that can affect budget estimates are contract awards which differ significantly from the estimates, program delays, program problems, and identification of unneeded prior year funds.

To be of any value this work must be accomplished to meet the critical dates of the Committees for hearings, mark-ups and joint conferences. GAO's assessment of changes in the fiscal year 1986 budget allowed the Subcommittees on Defense to achieve substantial savings. For example, the Subcommittee on Defense, Senate Appropriations Committee, reported savings of more than $3.5 billion in Navy programs which was attributed to our work and was reflected in the final defense appropriations bill for that fiscal year.

Question. When this notification process is in place, will it also be applied to civil programs?

Response. Our 1985 report, "Managing the Cost of Government" (GAO/AFMD-85-35-A), set forth a comprehensive conceptual framework for financial management in the federal government. A principal objective of the proposal was to stimulate the development of financial systems and reporting to better identify the projected and actual costs of governmental activities. The GAO report outlined the basic structure and data elements needed for such systems and reporting.

We are working with the Congress and executive agencies to develop consensus on the conceptual framework. This includes working with congressional parties on the development of appropriate legislation.

Question. What work have you done evaluating the cost savings that would be achieved if the four military services of the Pentagon were combined into one service?

Response. We have not specifically addressed the possibility of cost savings resulting from consolidation of the military services. However, at the request of the Senate and House Armed Services Committees, we are currently evaluating the feasibility of creating a centralized civilian acquisition agency. We are addressing, among other issues, the advantages and disadvantages of consolidating the military services buying commands into such an agency.

Although our assignment is not specifically geared toward identifying cost savings through reorganization, it will cover potential personnel reductions resulting from consolidation. The results of our review will be reported to the Senate and House Armed Services Committees in November 1986.

Question. Spare parts procurements continue to make headlines. What work have you completed on this subject since last year's hearing? Are any of your 1985 measurable savings based on this work?

Response. We have issued three reports on DOD's procurement of spare parts as follows:

- To Senator Ted Stevens, Chairman, Subcommittee on Defense, B-219927, September 10, 1985, Letter
- To the Secretary of Defense, Inappropriate Use of Rate Agreements, B-219927, NSIAD-86-18, January 13, 1986
- To Senator Roth, Chairman, Governmental Affairs Committee; Senator D'Amato, and Congressman Nichols, Chairman, Subcommittee on Investigations, House Armed Services Committee, DOD Initiatives to Improve the Acquisition of Spare Parts, B-220528, NSIAD-86-52, March 11, 1986

Senator Stevens requested us to assess DOD's reported fiscal year 1984 savings from its spare parts initiatives and whether such savings resulted in reduced fiscal year 1986 budget requests. We found no evidence that the fiscal year 1986 budget request was reduced as a result of reported savings. We estimated that this reduction could total about $145 million. This information was considered by the subcommittee during the fiscal year 1986 budget process.

Although these savings were considered during budget deliberations, they were a part of other factors used by the Committee staff during these deliberations. Because our findings could not be directly linked to budget reductions, we did not include them in our 1985 measurable savings.

In our report on Inappropriate Use of Rate Agreements, we advised the Secretary of questionable procurement practices at the San Antonio Air Logistics Center. The DOD has advised us that, in addition to changes in procedures, it terminated two contracts and obtained refunds on two others. Estimated savings from these actions was about $105,000, and the savings will be reflected in our 1986 measurable savings.

Our report on the DOD initiatives points out that there were serious problems in the procurement of spare parts, DOD is making progress in carrying out its initiatives, but there is ample room for further improvement.

In addition to these efforts which focus on procurement techniques and systems, we evaluated the adequacy and reasonableness of the Air Force budget request for replenishment spare parts. This work, which was undertaken at the request of the Senate and House Appropriations Committees, has resulted in reductions of more than $1.5 billion for fiscal years 1986 and 1987. These savings will be reflected in our 1986 measurable savings.

Competition in Contracting Act of 1984

Question. Please provide an explanation of the problems (successes) GAO has incurred in the implementation of CICA in calendar year 1985.

Response. We were able to implement the protest provisions of CICA without incurring any significant problems. The enactment of these provisions, which became effective in January 1985, brought about a period of significant change. The act required that we cut the time required to decide bid protests in half, to no more than 90 working days in all cases. It imposed a corresponding duty on contracting agencies to file their reports in protest cases in no more than 25 working days and included provisions designed to restrict agencies' freedom to proceed with award and contract performance in the face of a protest. It further provided that we issue implementing regulations.

In meeting the challenge posed by CICA, we adopted new regulations, reorganized the procurement law staff of the Office of the General Counsel, installed a computerized case tracking system, and developed a system to produce computer generated form notices to implement the provisions of the act that provides for the speedy dismissal of cases found to be frivolous or otherwise without merit on their face.

As we anticipated, the number of protests filed increased dramatically. Approximately 2,900 protests were received from January 15, 1985 through January 14, 1986. Notwithstanding this increase, however, no protest took more than 90 working days to decide. The typical case was closed in 27 working days, with cases decided on their merits after we fully developed the record taking about 67 working days. The agencies also met their statutory time frames for filing reports.

Question. What is the status of court cases challenging your authority under this act?

Response. The constitutionality of the Comptroller General's authority under CICA has been addressed in two cases: Lear Siegler, Inc. v. Lehman, No. CV 85-1125-KN (C.D. Cal. Nov. 21, 1985) and Ameron, Inc. v. U.S. Army Corps of Engineers, 610 F. Supp. 750 (D.N.J. 1985), aff'd Nos. 85-5226, 85-5377 (3d Cir. Mar. 27, 1986) (petition for rehearing filed). In Lear Siegler, the court issued an interim opinion holding the Comptroller General's role to be constitutional. The parties are now waiting for the court to decide the merits of the case and the issue of whether the plaintiff is entitled to attorneys fees. In the Ameron case, in which the Court of Appeals for the Third Circuit found CICA to be constitutional, the Department of Justice has asked the court for a rehearing. The court has stated that it will wait until the Supreme Court decides the Gramm-Rudman case (Bowsher v. Synar) before it responds to the petition for rehearing.

Staffing

Question. What is your current onboard staffing level?

Response. As of June 1, 1986, GAO had 5,100 permanent employees, of which 110 were working in part-time status and 4,990 were full-time.

Question. What type of recruiting are you continuing to do?

Response. Over a period of more than two and one half years, GAO has expended a sizeable effort to design, build and operate a National Recruitment Program. A substantial amount of this effort has been spent in the broad area of college relations. The National Recruitment Program components have been designed with sufficient elasticity to accommodate the normal swings in entry-level hiring occasioned by the organization assuming a hiring posture ranging from maintenance of the current staffing level to modest increases in staffing. Our recruitment effort is a planned, systematic, collaborative program and our response to the challenge of Gramm-Rudman-Hollings this spring has had similar characteristics. To maintain our presence on campus even though we were not in an active hiring environment was our first priority. Between January 1 and April 30, 1986, we conducted 119 college relations events at schools across the country ranging from career fairs to class presentations and reaching over 4,500 students. These events were intented to keep students and college placement officials aware of what GAO does and why. We have also conducted a scaled down GAO Summer Internship Program. While we were only able to fill 3 Public Administration Intern positions at the undergraduate level, even this scaled down program has enabled us to maintain our presence at some of the Nation's best Public Administration and Accounting schools.

It has been difficult to attract high quality students to the Federal service. Our salary competitiveness continues to erode. The uncertainty of the Federal budget situation with its attendant employment uncertainty has seriously hampered GAO's ability to recruit the Nation's best and brightest students. The efforts expended since January 1986 were planned, systematic and collaborative and designed to maintain our image as a viable employer.

Question. What is the effect on your staffing plans arising from the Gramm-Rudman-Hollings sequestration of 1986 funds?

Response. GAO had to take a 4.3 percent cut in its fiscal year 1986 appropriation, like everyone else. As a result, we have implemented a hiring freeze and are planning on a decrease of 58 average positions through attrition. We can't plan where or when this attrition will be experienced, but we anticipate that it will be felt the greatest in secretarial positions, in positions that are critical, and in positions for which recruitment of staff like accountants and computer specialists is difficult. We cannot sustain large losses in these areas for long without negative impacts on the way we do our work.

Question. Why are you asking for restoration of the positions you are losing in FY 1986?

Response. The 58 average positions which we plan to lose through attrition in fiscal year 1986 represented the full funding of the first step toward our goal of having 5,500 average positions to perform the audit and evaluation work that GAO needs to do. We need restoration of these positions for adequate response to the increased levels of requests for work that we are receiving from the committees and, to a lesser extent, members of the Congress. In some of the areas of our work, we are performing all of our work at the direct request of committees and we cannot handle new requests for work from committees without compromising the completion of Congressional work that is already in progress.

Question. What would be the impact on GAO if no increase or restoration of positions is legislated?

Response. We are requesting an increase of 100 average positions in addition to the restoration of 58 average positions cut in fiscal year 1986 to implement the funding restrictions created by

Gramm-Rudman. We intend to use these positions in issue areas that continue to demand extra resources--staff that cannot otherwise be made available to accomplish our increasing workload.

Without these increases, we would have to defer work. Areas of interest for which this request is made are (1) to provide more coverage on defense procurement matters and the way DOD acquires military goods and services, (2) to help us meet defined objectives in our reviews of complex government-wide ADP and telecommunications programs, (3) to conduct audits of agencies' financial operations, and (4) to conduct special investigations of alleged fraud, waste, and abuse in federal programs.

Question. Why do you need increases in both permanent and non-permanent staffing? What would be the effect of no increases?

Response. GAO is requesting an increase in its permanent staffing to provide the additional staff needed on an ongoing basis to more fully audit federal programs in defense, ADP, telecommunications, and financial operations, and to increase investigations of waste, fraud, and abuse in government programs.

The requested increase of non-permanent staffing meets three goals. The first is the need to expand the amount of expert review both at the scoping and final review stages of jobs. The quality of our products is greatly enhanced by these reviews, and we need to be able to expand, not contract, this unique resource. Second, in order to provide administrative requirements created by the rise and fall of work output during the year, we need the flexibility to hire sufficient temporary staff to accomplish these work requirements. Third, our cooperative education and summer employee programs are very valuable resources for attracting outstanding young people to permanent positions. These programs are of special assistance in our achievement of goals in the hiring of minorities and women as professional staff members. The summer program is the source of most of our new attorneys as it gives GAO and these students an opportunity to judge suitability of employment in the summer prior to the final year of law school. Upon graduation, some of these students are offered permanent positions in the Office of the General Counsel.

Rent, Communications, and Utilities

Question. You are asking for an increase of $8,149,000 for office space. This is an increase of 43 percent over your 1986 revised level. Please explain such a large increase.

Response. The increase of $8,149,000 includes $5,978,000 for inflation in GSA rates for current space requirements; $1,800,000 for an additional 75,000 square feet of space in the DC metro area for headquarters personnel displaced due to the heating, ventilation, and air conditioning work and the removal of asbestos to renovate the GAO building; and $371,000 to provide space for the requested increase of 100 average positions.

Question. Why do you need $1,121,000 increase for local telephone service? I am not aware of any rate increases that would justify this 44 percent increase.

Response. The increase for local telephone service is needed for these reasons:

A. Rate increases for basic CENTREX service in Washington, D.C. ($120,000),

B. Increases in directory assistance and message unit charges ($96,000),

C. Increases in GSA's common distributable charges (CDC) in Washington, D.C. ($144,000),

D. Increases in CDC charges plus basic service cost in our regional offices ($72,000), and

E. The impact of the Aggregrated Switch Procurement (ASP) on our regional offices ($689,000). For example in 1987, the Boston Regional Office costs will increase by 250%.

ADP and Telecommunications

Question. In other telecommunications charges you request $2,502,000 as an increase over the $33,000 in 1986. What is this for and can it be delayed?

Response. If the legislative branch-wide private business exchange (PBX) does not require any funding in fiscal year 1987, this expenditure can be delayed. The funding requested for fiscal year 1987 was based on our participation with the Department of the Treasury in its PBX procurement action. Treasury shares our headquarters building with us, and they wanted us to join them in this project. We intend to work on the development of a legislative branch-wide PBX system that the House Appropriations Committee has recently addressed in its telecommunications hearings.

Question. Your ADP equipment rental shows a 45 percent drop due to the 1986 sequestration of funds and a 136 percent increase for 1987. Please explain why there is any need of an increase in light of such a large cut in 1986.

Response. Since the time of our initial fiscal year 1987 appropriation request, we have completed our Long Range ADP Plan. We have not had an opportunity, as yet, to discuss the plan with the appropriations committees. However, adherence to the plan will dictate changes in the fiscal year 1987 funding levels needed for the ADP budget line items. The long range plan will help to ensure that we procure the appropriate equipment and services to support the long term ADP needs of the agency.

Based on the long range ADP plan, we will need $517,000 for rental of ADP equipment in fiscal year 1987. This represents an increase of $177,000 over the fiscal year 1986 post Gramm-Rudman level of $340,000. This funding is necessary to (1) continue the rental ($400,000) of several mini-computer systems used for our mission administrative operations and some terminals and printers and (2) leased equipment ($117,200) necessary for our ADP facility.

Contract Services

Question. Your request for $3,169,999 increase in computer and other ADP services deserves an explanation. How much of this increase is for inflation increases for existing levels of services? What is the increase in program capacity?

Response. As a result of our long range ADP plan, we now need $10,495,124 for ADP services. This is an increase of $4,060,124 over the fiscal year 1986 post Gramm-Rudman level of $6,435,000. The increase is needed as follows:

- -- $284,000 to cover inflation;
- -- $370,000 for timesharing and data entry services for mission work;
- -- $500,000 for telecommunications and ADP planning and evaluation;
- -- $1,208,500 for timesharing, network, equipment, and services to operate, maintain, and refine the Financial Management System;
- -- $200,000 for refinement of existing systems to ensure acceptable performance pending implementation of the Long Range ADP Plan;
- -- $1,299,000 for initial implementation of the pilot mission support facility and the "buy/build" analyses for the 6 major administrative systems;
- -- $100,000 for conversion of MICOM disks for use on microcomputers with personal computer software; and
- -- $98,624 for other miscellaneous requirements such as data base accesses required for audit assignments, new subscription fees for access to econometric modeling, support for P.L. 99-177 analyses, etc.

Question. You are requesting $5,517,000 increase in non-government contract services. In addition to the items enumerated in your justification, are there other ways in which GAO can warrant such a large increase? How much of the increase is for non-government auditors and what kinds of work would such contract staff perform?

Response. The requested program increase includes funding for non-government contract services of: (1) $1,093,000 to obtain the services of experts to assist in our audit and evaluation work in areas where GAO lacks sufficient numbers of staff; (2) $1,500,000 to maintain our document handling and information services facility which provides Congress and the public with GAO reports and source books; (3) $1,000,000 to obtain the services of public accounting firms to supplement our skills and bring about a comprehensive audit of the financial statements of the federal government; (4) $250,000 to maintain relocation services for staff members involved in permanent change-of-station moves; and (5) $1,674,000 to meet all other operational requirements including price level changes of $235,000 for existing contract levels.

Of the increase, $1.0 million is to engage CPA firms primarily to conduct financial and compliance audits of government corporations who are subject to the Government Corporation Control Act. GAO will review the CPA's work. GAO has audited government corporations routinely for many years and has identified problems and areas for improvement. GAO now needs to focus resources on the large and numerous financial and compliance issues facing federal agencies. CPA firms may be used to audit specific departments or sections of federal agencies with GAO review. The independent financial and compliance audit of GAO itself is also contemplated to be performed by a CPA firm under contract. A small portion of funds may also be used to engage CPA firms or others to research specific technical or industry financial issues as necessary.

Other Resources

Question. Please explain your need for $903,000, an increase of 46 percent, in your supplies and materials budget. Can any of the increase be deferred?

Response. The increase is essential. We increased inventories in fiscal year 1985 to allow for operating at minimum costs in fiscal year 1986. Funding in fiscal year 1986 will barely allow for covering the fiscal year 1986 needs. Therefore, beginning inventories for fiscal year 1987 will be low. Also with the increased number of microcomputers in the agency, the requirements for ADP supplies have increased. Without the increase in fiscal year 1987 funding, we will not have enough funds to provide the agency with the ADP supplies needed to use the micros.

Question. You are requesting a 439 percent increase in your budget for furniture and equipment. Please explain this incredible increase. What can be deferred to another fiscal year?

Response. Approximately $2.4 million of the requested increase is for office furniture and equipment. This is needed to allow us to (1) replace worn and/or broken equipment and furniture, (2) procure appropriate furniture on which to place microcomputers (purchased in fiscal year 1985), and procure partitions to reconfigure space as the renovation on the Heating, Ventiliation and Air Conditioning (HVAC) Project is completed. Our Facilities Modernization Program will provide for installation of cabling and electrical capacity needed to accommodate the technological environment we are now working in. Therefore, partitions and furniture compatible with the new technology will be needed.

If any portion of the increase for office furniture and equipment must be deferred, it will have a significant impact on the agency. We must be able to replace worn and/or broken items so that staff can continue to perform their mission. Without the appropriate furniture for the micros, staff could not be used as effectively and efficiently as they should. The HVAC project must continue so that hazardous asbestos can be removed from the GAO building. Without the appropriate furniture and partitions, the space will not be able to be renovated to provide the technological environment necessary.

The funding levels needed for purchase of ADP equipment and software have been scaled down due to the long range ADP plan. For fiscal year 1987, we need $2,379,500 which is significantly less than our original request. However, it still represent a sizeable increase over the fiscal year 1986 post Gramm-Rudman level of $447,000. The $2,379,500 is required for the following:

- $200,000 for spare parts to maintain micros, as a cost effective alternative to commerical maintenance;
- $550,000 to purchase microcomputers to replace MICOM machines; and
- $1,629,500 to acquire equipment and software required to begin implementation of Long Range ADP plan objectives. This funding covers a shared resource procedure, DBMS/Data Dictionary, and evaluator workbench tools.

Question. You are requesting a 232 percent increase in your lands and structures budget. Please explain, and how much of this can be deferred?

Response. The increase in the lands and structures budget is necessary because of the HVAC project underway to remove hazardous asbestos from the GAO Building. Upon completion of the project the space must be renovated before it can be occupied. If funding is not available, the space cannot be renovated with the appropriate cabling and electrical wiring to meet the technological requirements of the agency. Therefore, deferral of any of the funding would negatively impact on the agency.

QUESTIONS SUBMITTED BY SENATOR BUMPERS

Gramm-Rudman-Hollings

Question. Please outline for the record some of the specific new GAO workloads associated with the enactment of the Gramm-Rudman-Hollings Act. How have you been coping with these workloads? What have you cut back in order to deal in a timely manner with the workloads generated by the Gramm-Rudman-Hollings Act?

Response. The Gramm-Rudman legislation which sets forth a five-year program to reduce the federal deficit to zero, called for OMB and CBO to issue a joint report to the Comptroller General, specifying their estimates of federal revenues and expenditures, the resulting deficit, and the economic assumptions they used in making their estimates. Then, if their deficit projection for a given fiscal year exceeds the ceiling set by law, they must reduce federal outlays by the amount of the excess deficit, split evenly between defense and civil accounts. The cuts were made across the board, with the same percentage taken from each account, and for defense, from each program, project, and activity within each account.

The OMB/CBO report, issued January 15, 1986, was filled with more than 400 pages of charts, computer printouts, and explanations. GAO had to meet a January 21, 1986, deadline--the extra day due to the Martin Luther King holiday--to analyze the OMB/CBO findings, resolve any differences, and issue its report to the President and the Congress.

Although production of the GAO Gramm-Rudman report did not begin in earnest until receipt of the January 15 OMB/CBO report, plans for getting the report out began in December as soon as GAO's role became evident. GAO staff were used to conduct the necessary analysis, and a select group of consultants was used to assist in assessing the economic assumptions and the Department of Defense expenditure estimates. GAO's assessment of the economy was based on discussions with the OMB and CBO directors and their staffs before the January 15 report was issued, as well as analysis of the data included in the report itself. A panel of economists bolstered GAO's economic analysis capabilities. Similarly, GAO assembled a panel of defense budget experts to provide advice on issues in DOD accounts. For the most part, however, GAO relied on its own talent to carry out its Gramm-Rudman duties.

By law, GAO's report was due just six days after the release of the OMB/CBO report on which it was to be based. Complicating the schedule was the fact that a three-day holiday weekend intervened. GAO headquarters became a "home away from home" that weekend for most of the staff members involved in the report's production. Others were called in on short notice as unexpected problems cropped up. Figures were recalculated over and over again, requiring programmers to adjust charts and numbers throughout the report. The report's format--a concise summary letter plus appendixes explaining where GAO differed with the OMB/CBO report--evolved as the thrust of GAO's findings became clear.

The Comptroller General's report was issued on January 21, 1986, in accordance with the act. The report to the President and the Congress on the extent of the across-the-board cuts in the fiscal year 1986 budget essentially confirmed the figures arrived at by the Office of Management and Budget and the Congressional Budget Office in their joint January 15 report. GAO's 58-page report--a three-page letter plus four appendixes detailing the changes required in the January 15 OMB/CBO figures, GAO's economic assumptions, the principal determinations required by the act, and information on programs receiving special treatment (programs with automatic spending increases and others to which special rules apply)--was designed as a supplement to the January 15 OMB/CBO report. GAO's report contains financial data only for the accounts over which it differed with the OMB/CBO calculations.

In accordance with the law, the President based his subsequent sequestration order on GAO findings.

We were able to issue this report on time because we had the right people available for short periods of time. Although the total number of manhours of work was great, this assignment did not impact negatively any of our ongoing work in a significant way.

Question. GAO is to be commended for its very fine efforts to deal with the workloads mandated by the Gramm-Rudman-Hollings Act. I am sure there are many people in the GAO organization who performed in an exceptional manner, and I commend all of them. However, Mr. Richard Brown, GAO's Controller, was especially helpful to the Subcommittee and deserves special mention. In addition to his regular responsibilities, he provided a series of information papers which were particularly helpful. He goes about his duties in a quiet, competent manner, and deserves, I believe, a special vote of thanks from the members of this Subcommittee.

How has GAO's Gramm-Rudman-Hollings sequestration of its own funds impacted its operations?

Response. Like all government agencies, GAO is subject to the act's provisions. We have taken steps to reduce GAO's budget by 4.3 percent. To accomplish this, we have:

- -- Implemented a hiring freeze for the remainder of the fiscal year. Use of average positions has been decreased by 58, eliminating completely the growth planned for fiscal year 1986 over 1985. While this reduction hopefully is fully achievable through attrition, inability to replace critical vacancies such as attorneys, computer specialists, secretaries, and accountants will impair GAO's ability to do some of its work, which might include some congressional assignments.

- -- Reduced funds available for travel by $2.85 million. This required an elimination of travel for almost all administrative purposes, a reduction in supervisory travel on jobs, and a reduction in the scope of some jobs. Efforts have been made to insure that the integrity of our jobs is not compromised, but we may have to defer some jobs pending availability of additional resources.

- — Reduced training by 34 percent, or $0.8 million. Although this will permit us to continue institutional courses for new evaluators, it will limit technical training of middle and senior level staff and will dramatically reduce GAO staff's presence at external conferences, seminars, and workshops where travel and/or registration fees are required. Attendance at those forums is intended to enhance the knowledge and skills of evaluators and managers to perform GAO's scope of assignments by permitting them to be exposed to the latest developments within their chosen areas of expertise.

- -- Reduced timesharing and other ADP services by about $880,000. The scoping of many jobs had to be revised, with some work postponed until more resources can be identified. Planned alterations to administrative systems have been deferred.

- — Sharp curtailment of contracts for services of experts in fields where GAO lacks such expertise. We are concerned about the impact of this reduction on the scope and timeliness of certain reports to the Congress and have taken precautions to maximize the availability of funds for congressional work.

Question. What work is ongoing to prepare for the 1987 sequestration cycle?

Response. The GAO team which carried out the 1986 cycle will remain intact for the 1987 cycle. However, it will be slightly augmented to ease some of the difficulties which were encountered in January, such as production of the final report.

Work is already underway to prepare for the economic forecasting process, which will be much more important for the 1987 cycle than for 1986. We are also reviewing our ADP requirements to assure that we can handle the massive volume of data as efficiently as possible.

"Managing the Cost of Government"

Question. Last year, you advised the subcommittee of the reasons for issuing your so-called white books on government management. Please explain what needs to be done to implement those recommendations.

Response. Successful reform requires a comprehensive, integrated approach not piecemeal and partial as previous efforts have addressed these issues. It should be government-wide in scope, serving the needs of both the Congress and the executive branch, by ensuring that consistent data are available across agency and department lines. The effort should stress the following four key elements:

Strengthened Accounting, Auditing, and Reporting

Effective financial management must start with complete, reliable, consistent and timely information. Government financial systems must be designed to produce that information. Routine and special reports must be timely, useful, and readily understandable, and the reliability of the information must be assured through effective auditing procedures.

Improved Planning and Programming

Many of the most pressing national issues cannot be adequately considered by using a narrow, short-term focus. A modern financial management system should include a structured process for considering those issues, one that focuses attention on major issues, identifies alternative courses of action, and analyzes their probable future consequences. The process must ensure that alternatives are accurately and completely costed on the basis of data from the integrated accounting systems.

Streamlined Budget Process

To be effective, the federal budget process must be made more manageable and integrated with the planning, programming, and accounting phases of financial management. Reform is needed in both the Congress and the executive branch. This effort should concentrate on eliminating unnecessary repetition, detail, and obstacles to action. The system and its operating procedures must be designed so that program managers, policy officials, and members of Congress can focus on the difficult budget choices that must be made.

Systematic Measurement of Performance

Effective management of resources requires examining the results of government activities as well as their costs. An integrated and disciplined financial management system that provides consistent data on cost and performance is essential to help both the Congress and the executive branch assess the efficiency and effectiveness of government operations. Top federal appointive executives have relatively short tenures and are, therefore, especially dependent on reliable cost and performance reports to ensure that resources are being used effectively.

Question. What is the status of GAO's approval of existing federal accounting systems?

Response. The Federal Managers' Financial Integrity Act of 1982 requires agency heads to report annually on the adequacy of their internal control and accounting systems. To comply with the act, agencies must evaluate their accounting systems to determine whether they conform to the Comptroller General's accounting principles, standards, and related requirements.

As a result, GAO has shifted its focus and is now looking to agencies to test their accounting systems in operation and to report on their adequacy under the requirements of the act. Therefore, we are not performing any formal systems approval work at this time. We are convinced that the most effective way to get in place the sound accounting and financial management systems the government needs is through agencies' full implementation of the act. Our emphasis will cotinue to be on reviewing and reporting on agencies' progress in realizing the objectives of the act. We will also be reviewing major accounting systems, both in operation and under development, and related financial management issues. In this regard, I recently testified in support of S. 2230, introduced by Senator Roth, which is targeted at improving management in the federal government and calls for financial management reform. We believe these efforts will go a long way toward improving accounting and financial management in the government.

Question. What effect, if any, are the reports issued in accordance with the Federal Managers' Financial Integrity Act having on improving federal program administration?

Response. The reports issued as a result of the Federal Managers' Financial Integrity Act represent an important first step toward correcting the serious internal control and accounting system problems that continue to impede effective federal program administration. These reports hold managers publicly accountable for the status of their systems and, consequently over time, provide a strong incentive for managers to correct long-standing weaknesses.

After 3 years of effort under the act, our review of 23 federal agencies has shown considerable progress in identifying and reporting their system weaknesses and plans for corrective actions.

In 1983, these agencies disclosed 235 weaknesses in their Integrity Act reports. That number rose to 414 in 1984, and these agencies identified 340 new weaknesses in their 1985 reports.

However, the major benefits of the act--effective management systems--have not yet been realized. Assuring that agencies successfully strengthen their internal control and accounting systems through the Integrity Act continues to be one of our top priorities. We plan to continue to analyze agencies' annual Integrity Act reports to determine if agency systems are being strengthened and if agencies are properly reporting their weaknesses and corrective actions. In this way, the Integrity Act reports are key to federal managers better carrying out their managerial objectives and missions, and their basic stewardship responsibilities.

Timeliness

Question. Every year you share with the committee your interest in improving GAO's ability to issue more timely reports. What steps have you taken since last year's hearing to improve more timely reports?

Response. An ever present concern of GAO is the timeliness of its reports to the Congress. We are also concerned that the reports are at the same time replete with full and credible information when they are needed. Each of these aspects of GAO work has been--and continues to be--given considerable attention at all levels of GAO. Much of our work is not of a time critical nature. But when we do receive a request that includes a specific reporting date or know that the Congress plans to address an issue we are working on, we make every effort to make sure that the results of our work are provided when they are most needed.

We have developed a couple of new products in the last 12 months--briefing reports and fact sheets--which enable us to provide the Congress information and analysis it needs on a much more timely basis than our regular, full-fledged report, of which the requestor may or may not request completon.

Another development has been the continued shifting of our report review function from the Office of Quality Assurance to the division issuing the report. Completion of these shifts to the operating divisions is set for the end of fiscal year 1986.

Question. How are the interests (needs) of congressional committees being served?

Response. GAO is charged by the Congress to respond to all committee requests for assistance. To the extent that resources permit, GAO will continue to give priority to meeting the needs and interests of congressional committees.

The volume of our work for the Congress is amply documented by the percentage of our work which is performed to satisfy the mandates of the Congress. In fiscal year 1982 when I was first appointed as Comptroller General, 45 percent was in direct assistance to the Congress. In fiscal year 1985, this level had risen to 57 percent. Through the first half of the fiscal year 1986, this is now 75 percent and rising. In many of our issue areas, 100 percent of the staff resources are devoted to Congressional request work; in other issue areas the percentages are 80 and 90.

In September 1985, I issued a memorandum to GAO staff clearly stating that responding to congressional requests is GAO's top priority. As a result, GAO has placed considerably more emphasis on responding more quickly to congressional requests and on improving the efficiency and effectiveness of its work.

Question. You are asking for a 107 percent increase in nongovernment training and a 146 percent increase in government training. Please explain the need for such large increases, especially in the light of the 34 percent decrease taken by GAO for sequestration of 1986 training funds.

Response. The increase of $1,473,000 in the amount for tuition and fees for training results from (1) an increased awareness of the need for provision of functional and specialty training parallel to organizationally mandated skill requirements and competency levels, (2) continued emphasis on GAO's management development program and enhancement of the technical skills and expertise of present and future managers, (3) a continuing need for increased training for SES incumbents and members of the Executive Candidate Development Program, (4) cost increases, and (5) restoration of funds eliminated in fiscal year 1986, pursuant to P.L. 99-177. Training tuition and fees provide for the cost of GAO-sponsored group or individual participation in advanced management and executive development programs, as well as costs for employee enrollment in job-related college and technical courses.

Much of this increase is for GAO-wide contracted training in response to the above needs. The remainder is spread among the divisions and regions to pay tuition for individual enrollments in specialized training programs.

The contracted training includes funding for division specific training that was needed but not funded in fiscal year 1986. It also includes a substantial amount ($300,000+) to continue GAO-wide ADP training necessary to implement microcomputer technology in GAO. In future years, expenditures for this kind of training will likely decrease.

Another priority being addressed by the increase in funds is secretarial/clerical training. This area was cut back substantially in fiscal year 1986 and we need to increase to planned levels in fiscal year 1987 ($69,000 actual in fiscal year 1986 to $322,000 planned in fiscal year 1987 estimated as of May 1986) because of training needs which have not been met previously.

Finally, this increase includes training to assist one of our technical divisions (IMTEC) and the regional people who work on technical jobs coordinated by IMTEC.

Question. Give us a status report on how the Executive Education Program, that we heard so much about last year, is proceeding.

Response. The Executive Education Program (EEP), launched in the Spring of 1985, focuses on updating and upgrading technical skills that are critical to the responsibilities of GAO's senior managers, and complements existing activities that provide enhancement of their managerial competencies. Specifically, during the close of fiscal year 1985 and continuing into fiscal year 1986 GAO developed a comprehensive plan for the program's direction, conducted briefings on design methodology, economics and information technology, which were attended by approximately 80 percent of GAO's executives; brought on line five 16- to 24-hour technical seminars with projected average enrollment of 87 senior managers in each; outlined a process for executive career development, initiated plans for national issues forums, and identified future briefing/seminar topics.

Comprehensive Plan. Based on the short term initiatives that began in Spring 1985, a comprehensive, long-range plan was developed for specific EEP activities that will take place over the next several years. The resulting document was distributed to Senior Executive Service (SES) members in March. Currently this plan is being updated and appended to reflect the development of activities that will take place during fiscal year 1987.

Briefings. Four one-half day briefings were developed and conducted in early 1986. Topics for these briefings included microcomputer applications for senior managers, evaluation design and methodology selection, and economic analysis. Each briefing was presented to approximately 80 percent of GAO's executives. Checklists were completed by SES members at each briefing to identify areas for more in-depth training which was to follow.

Seminars. Beginning in January 1986, several offerings of five 16- to 24-hour seminars were scheduled for senior managers--"Applying Evaluation Designs and Methods", "Strategies for Data Collection", "Data Analysis and Issues for Managers", "Microeconomics for Policy Analysis and Management", and "Introduction to Microcomputers for Executives", (a hands-on experience). These on-line seminars, taught by local university professors, are being attended by both senior executives, as well as GS-15 Group Directors. Plans are for these seminars to continue through fiscal years 1987 and 1988.

EEP Activities Under Development. A voluntary career development process for senior managers will be piloted in early fiscal year 1987. This process provides structure and assistance for those executives who wish to formalize their short- or long-term developmental strategies with the help of a personalized plan. Its flexible design presents options for managers at various points in their careers and highlights increased communication with top management around issues that benefit both the organization and the individual.

Another activity receiving attention at this time is the design and implementation of a series of National Issues Forums. The purpose of this program is to engage GAO's key senior managers in dialogue with experts on issues of critical national impact, thereby broadening the knowledge and perspective of the managers in their effort to respond more effectively to the Congress around these issues.

Future briefings, seminars and courses on technical topics are currently being designed. A briefing for all executives on financial management is scheduled to be conducted early in fiscal year 1987. It is anticipated that a longer seminar (2 days) will be offered to those SES members and GS-15s who express a need for more in-depth training on this subject.

Based on information previously gathered from SES members and on the advice of external subject matter experts, a 40-hour course on data analysis is currently being designed and is scheduled to be offered sometime during fiscal year 1987. Additional briefing topics under consideration include the legislative environment and coaching and counseling techniques.

While the EEP focus for fiscal years 1985 and 1986 has been primarily on updating technical skills, GAO's comprehensive model for executive education represents an integrated approach to the total development of managerial, issue area, as well as, technical expertise for senior managers. Although the program will remain responsive to current and pressing developmental needs, a move toward this integration is expected during fiscal years 1987 and 1988.

Security Investigations

Question. You are asking for a 201 percent increase in funding for security investigations. This is an unbelievable request especially in light of all the reductions we are currently making pursuant to the Gramm-Rudman-Hollings legislation. I certainly would like to have a good explanation of this huge increase.

Response. This increase results from concerns expressed by the House Committee on Government Operations about the potential for conflicts arising from using the Defense Investigative Service (DIS). We essentially agree with these concerns. Therefore, we have included a request for more funds to permit all investigations to be performed by the Office of Personnel Management's (OPM) investigative service in order to avoid any possible conflict of interest with the Department of Defense since much of our work concerns the Defense agencies. The Defense Investigative Service has been used primarily due to its quick turn around time of 90-120 days and lower fees, averaging $600. By contrast, OPM charges an average of $1,750 per investigation requiring up to 12 months to complete. The $488,000 represents an increase of $1,150 for each of the 425 investigations planned for fiscal year 1987 based on current staffing levels. The planned number of background investigations will include only those personnel having a need for access to classified material or who work in areas such as the Internal Revenue Service or the Social Security Administration where access to sensitive data is required.

GOVERNMENT PRINTING OFFICE

STATEMENT OF RALPH E. KENNICKELL, JR., PUBLIC PRINTER

ACCOMPANIED BY:

DONALD E. FOSSEDAL, ASSISTANT PUBLIC PRINTER (SUPERINTENDENT OF DOCUMENTS)
GRANT G. MOY, JR., GENERAL COUNSEL
M. JOSEPH CANNON, COMPTROLLER
JAMES N. JOYNER, DIRECTOR, CUSTOMER SERVICE STAFF
JOHN MORRIS, SUPERINTENDENT, CONGRESSIONAL PRINTING MANAGEMENT DIVISION

BUDGET REQUEST

Senator D'AMATO. Why don't we cover the Government Printing Office next?

We will take your statement as if read in its entirety, and I will ask you to summarize it.

Mr. KENNICKELL. Thank you, Senator.

For those programs that require appropriations directly to the Government Printing Office, I am requesting a total of $114,735,000 for fiscal year 1987. This is an increase of $7,794,000 over the funding level approved for fiscal year 1986. The major reason for this request is that our estimate for 1987 included $8,546,000 for the 1986 and 1987 Bound Congressional Records; while in 1986, the funding for the Bound Record was deferred to a subsequent year.

Therefore, if we exclude the 1986 and 1987 Bound Records, the 1987 request shows a decrease of $752,000 from the funding level approved for 1986. This achievement is made possible by successful efforts to control costs both by the Congress and by GPO.

The fiscal year 1987 request consists of $71,500,000 for printing and binding required by the Congress; $15,400,000 for the publications required by law to be distributed free to the recipients; and $27,835,000 for the salaries and expenses appropriation of the Superintendent of Documents.

The total amount of 1986 budget authority sequestered under Public Law 99-177 was $4,469,000. We have not reduced our 1987 request to reflect the actions taken to comply with this law, since we do not know if the Congress wishes them continued into 1987.

Mr. Chairman, that concludes my summary.

[The statement follows:]

STATEMENT OF RALPH E. KENNICKELL, JR., PUBLIC PRINTER OF THE UNITED STATES

Budget Request

As you know, the budget requests for the Government Printing Office for the past two years reflected reductions in new budget authority from the previous years' requests. We are proud of this achievement and had expected to repeat it again this year; and, it would have been achieved, EXCEPT for the circumstances related to the funding of the Bound Congressional Record.

The funds requested for fiscal year 1987 for those programs that require appropriations directly to the Government Printing Office total $114,735,000. This amount is an increase of $7,794,000 over the funding level approved for fiscal year 1986. However, the major reason for this increase is that our estimates for 1987 include $8,546,000 for the 1986 and 1987 Bound Congressional Records; while in 1986 the funding for the Bound Record was deferred to a subsequent year. Therefore, if we exclude the 1986 and 1987 Bound Records from the 1987 request, it will show a DECREASE of $752,000 from the funding level approved for 1986. This achievement is made possible by successful efforts to control costs both by the Congress and by GPO.

The fiscal year 1987 request consists of $71,500,000 for printing and binding required by the Congress; $15,400,000 for publications required by law to be distributed free to the recipients, and $27,835,000 for the Salaries and Expenses Appropriation of the Superintendent of Documents.

The request for the Salaries and Expenses Appropriation includes $700,000 for the International Exchange Program, which is currently funded by the publishing agencies, including approximately $200,000 from the Printing and Binding Appropriation.

The total amount of 1986 budget authority to be sequestered under Public Law 99-177 is $4,469.000. Our estimates for 1987 were prepared before this action was finalized and, consequently, have not been reduced to reflect a continuation of the actions proposed to comply with this law.

Financial Results of Operations

I am pleased to report that GPO completed fiscal year 1985 in a healthy financial position, recording net income in almost every major operation. Consolidated net income for fiscal year 1985 totaled $10.4 million. Total revenue increased by $34 million to $859 million. This revenue increase was due to the increased volume of our reimbursable commercially procured printing operations. I am also pleased to report that the net income accrued by our Sales of Publications Program was $4.378 million, of which $3 million was utilized by this Committee to reduce the fiscal year 1986 Salaries and Expenses request. The remaining $1.378 million is available for the same purpose this year, if the Committee so desires.

Cooperation With Congress

I propose that GPO and Congress enter into a Partnership for Progress. GPO exists to provide an efficient, cost effective service to the Congress. We are utilizing much more computer technology than ever before to provide you with better and less expensive printed products or services. This partnership could also result in Congress making better use of some of the other services available from GPO, such as storage space; telecommunications and computer expertise, and so forth. Therefore, I offer you the resources of the GPO in a joint effort to help resolve some of the administrative problems that burden the Congress.

Customer Service

During my first full year as the head of the largest printing establishment in the world, I made organizational changes to improve our operations and our service to our customers. I created the Departmental Account Representative Division to provide individual attention to our customers' printing and publishing needs. The goal of this new Division is to ensure confidence in our ability to deliver quality work, on time, and at a fair price. We have had considerable positive comments from our customers, including Congress, who are pleased with our service-oriented approach and with the suggestions we have made to improve their products and to reduce their costs.

Voice Synthesis

The Government Printing Office has embarked on a project to use voice synthesis, both as an aid to GPO productivity and as a new product for our customers. Voice synthesis is a new technology through which text in a machine-readable data base can be transformed into recognizable sounds, that is, formed into syllables and words purely with electronic logic. Using existing equipment, GPO has been adding to existing phonetic dictionaries to improve the level of acceptable pronunciation from approximately seventy-five percent to nearly one-hundred percent.

Congressional Record Index

As I said earlier, computer technology is playing an important role in improving the services provided by GPO. In a major development, full-text, on-line retrieval capability for the Congressional Record Index became operational, on a test basis, during the past year. This system provides up-to-date video display and hard copy of the desired information accurately and instantaneously at the Congressional Record Index Office. Currently, the Senate Library and the Congressional Research Service are using this system on a test basis.

Floppy Disk Conversion System

Another important technology improvement, the Floppy Disk Conversion System, became operational in September 1985. This system allows our customers to submit floppy disks from 108 different word processing systems which can be converted by the system to electronic data bases suitable for photocomposition. This automated procedure eliminates the keyboarding of manuscript copy at GPO. We hope to add two additional disk converter systems in fiscal year 1987, depending upon customer requirements.

Fiber Optic Communication Link

A major improvement to the service we provide the Congress was made possible during the past year when GPO installed fiber-optic communications links between the Senate and House text editing systems and the GPO text-editing systems. It is now in the testing phase and is being used to send data files, including the daily Congressional Record, to the House and Senate. It should be fully operational within the next few months.

This link allows for easier and faster transfer of data bases between GPO and both houses of Congress. GPO will realize productivity gains from this communications link since there will be a reduction in the time required for GPO to process magnetic tapes. Also, since this link is secure, it will prevent surreptitious copying or tampering with Congressional data bases.

Electronic Job Section

In February 1985, we abolished the Hot Metal Section. This brought to a close nearly two decades of transition to electronic photocomposition and brought down the final curtain on a technology that has served GPO and the Federal Government admirably since our founding 125 years ago. To replace this section, we established the new Electronic Job Section which has state-of-the-art computer systems and has the capability of processing all job work suitable for interactive or operator-modified composition. Typical work processed by this section includes Library of Congress foreign language cards, letterheads, forms, and certificates. This has resulted in improved efficiency, faster turnaround, and lower costs on all types of job work.

Passport Production Line

In addition to the pre-press areas, computer technology will be utilized in our Press and Bindery areas where we also continued our modernization efforts. A completely automated state-of-the-art passport production line will soon be installed at GPO. This equipment will be delivered in mid-summer and will become fully operational before the end of this calendar year. Most passports produced now are "Travel Document Issuance System" documents which are machine readable and provide improved security. Due to increased security requirements, these passports now require much tighter tolerances and production on the current GPO equipment has led to extremely high rejection rates. The new line will lower rejection rates, while increasing the rate of production. The passport operation generates about $7.4 million in revenue from our customer, the Department of State.

Multi-Color Offset Press

GPO is currently in the process of installing a new five-color offset press which will produce 700 million four-color postal cards, and 5.2 million passports annually. Acquisition of this new press was based on a requirement, from the Postal Service, that all postal cards, both regular and commemorative, be printed in four colors. At present, the approximately 625 million regular postal cards produced yearly are printed in only one color. This new press will result in improved products, as well as faster turnaround for commemorative postal cards. This new press was delivered in May and should be fully operational before the end of this fiscal year. Postal card revenue is expected to increase to approximately $3.3 million per year.

System 36

I am also moving ahead with improvements to the other areas of GPO. The Printing Procurement Department has three automated procurement systems to handle procurement transaction information, contract cost abstracts, and bid list selection. A fourth system to provide office automation and telecommunications to both customers and contractors has long been recognized as a necessary tool to improve effectiveness and reduce costs. After thoroughly investigating the possibilities to fulfill those needs, we decided that the IBM System 36 would most appropriately meet our requirements. This system provides the much-needed word-processing and office automation capability throughout the Department, coupled with state-of-the-art data processing functions appropriate to cur needs and compatible with our existing systems. In fact, the Systems 36 terminals will serve all four systems in the regions and Central Office. Installation is nearly complete at a cost of $1.8 million.

Printing Procurement Satellite Offices

During the past year, Executive agencies procured more of their requirements from the GPO than in any preceding year. In order to effectively respond to these additional requirements, several Regional Offices were moved to larger quarters and we opened four new small satellite procurement offices. During July 1985, the first satellite procurement office was opened in San Antonio, Texas. The second office opened early in this fiscal year in Charleston, S.C., a third opened in San Diego, California, in April, and a fourth opened in Oklahoma City this month. An office is planned for New Orleans later this year. Additional sites being considered include Jacksonville, Kansas City, Detroit, and Colorado Springs. The current regional structure of 14 Regional Offices, some of which service up to seven states, does not provide adequate accessibility by many of the Federal agencies. This results in delays in the communication of requisitions and reduces GPO's ability to respond quickly to our customers' concerns. All of the proposed satellite offices are within the immediate proximity of the more remote, but large volume, agencies. The results have been improved service to these agencies and the stimulation of interest by local printing firms to participate in GPO's competitive bidding process. This improved service will not entail any cost to the Congress but will ultimately contribute to a reduction in the Federal budget deficit through meeting the Government's printing requirements more efficiently.

Electronic Text Processing

To respond to agency requests for electronic publishing, printing, and binding services, the first contract of this type, known as program 400-S, was awarded to provide for the needs of the Department of the Army in fiscal year 1984. That program received such favorable reviews, and saved the Army $80 million, that they requested a second contract of similar but expanded scope, entitled Program 600-S. This contract was written to provide the following features: electronic capture of text, maintenance of a publication data base, photocomposition with digitalization of graphics, electronic mail, printing and binding of multiple publications, packing and distribution, and the basing of editorial device terminals at scattered locations. This is a multi-year contract with an estimated total value of $500 million.

Bookstore Relocation/Renovation

The GPO has started relocating some retail bookstores, several of which are now in basements or back rooms of Federal buildings, to more populous commercial locations. Three bookstores; Pittsburgh, Philadelphia, and Birmingham, are being considered for relocation in FY 1986, and Houston, Detroit, and Milwaukee are being considered for relocation in FY 1987. Other bookstores will be relocated as space becomes available and leases are negotiated. Total sales for all bookstores increased in FY 1985 by nearly 10 percent, to a total of $9.4 million. The number of customers served by the bookstores in FY 1985 was up almost 4 percent, to approximately 336,000. In the first half of the current fiscal year the customer count at the relocated Kansas City bookstore showed an increase of 174 percent over the first half of last fiscal year. We are confident that future relocations will also result in more customers and increased orders. We are committed to making information available to the public in an efficient and business-like manner.

Administrative Improvements

In addition to the improvements made to our revenue producing areas, we are also active in improving our administrative areas. We were able to save about $389,000 in postage expenses by presorting the large volume of second class mail that goes out each day. We were also able to reduce the cost of our telecommunication expenses by about eight percent. We intend to continue cost effective efforts by implementing a digital PBX telecommunication system, and by integrating our financial systems to produce computerized financial analysis reports to help monitor our financial position. A new system has been installed to automatically process the billing of congressional hearing riders, thereby eliminating the manual recordkeeping previously required to bill ordering agencies. GPO continues to realize benefits from the computerized Voucher Order Processing and Payment System, which was implemented several years ago. In 1985, GPO took prompt payment discounts of $7.9 million, culminating a 98-percent increase over a two-year period.

Office of the Inspector General

I have initiated expansion of the Office of the Inspector General to provide GPO with a much improved capability to conduct a full range of audits and investigations in our procurement, managerial, operational and financial areas. During fiscal year 1986, the IG's efforts will focus on reviews of GPO's major programs which have been identified as vulnerable to waste, fraud, or abuse, so that action can be taken to improve the efficiency, effectiveness and economy of our operations.

Executive Information System

Fiscal year 1985 saw the creation of the Executive Information System. The development of this revolutionary, decision-support system has made available, at the desk of my senior managers, information concerning various operational and financial activities. This information is viewed on CRT terminals and, through high quality color graphics, provides timely data to assist in the management of their areas. The future will see the system expand into other areas of GPO and incorporate productivity comparisons and indicators. I wish to extend an invitation to the Members of this committee or their staffs to visit our facilities and see this system in operation.

GPO Physical Security

In our effort to safeguard GPO employees, equipment, and national security information, new security measures have either been implemented or are being considered for implementation.

The increase in bomb threats directed against the GPO, and the more recent terrorist threats directed against the U.S. Government, has created a need for our Security Service to upgrade its security procedures and access control practices to protect GPO facilities and employees. The installation of X-ray and metal detection equipment at the main entrances to our Central Office complex has been recommended as a deterrent against possible bomb and armed terrorist attacks directed at the GPO. The use of this electronic screening equipment will enhance our perimeter security and increase our capability to preclude the introduction of explosive or incendiary devices into our agency threatening the safety of our employees and property.

In addition, we have reinforced and strengthened the gates leading to the GPO and have installed concrete barriers in the parking lots adjacent to our Central Office complex. Security of our electrical Power Branch has also been strengthened to prevent this vital function from becoming a target of hostile activity and we have increased the number of electronic alarms and CCTV equipment as a means of enhancing our security posture.

As part of our overall effort to coordinate emergencies and to improve security and our ability to respond to various emergencies impacting on GPO employees and property, we have established a new Emergency Command Center and Integrated Emergency Management System.

As a result of recent public exposure of a large number of U.S. citizens reportedly engaged in espionage activities for foreign governments, we reviewed the number of employees granted security clearances for access to national security information being processed through the GPO. Our review resulted in the reduction in the number of security clearances required by 33 percent. This action also enhanced the integrity and management of our personnel security program. The implementation of these security measures will improve the protection we are providing for our employees, property, and national security information.

125th Anniversary

Throughout 1986, the Government Printing Office is commemorating 125 years of service to our Nation. We have much to celebrate during this year; our achievement of providing the massive printing and binding needs to the

Congress and our more than 135 Federal customer agencies and our sense of service as we distribute millions of documents each year to an informed American public. More importantly, we celebrate the dedication of the thousands of men and women who have labored over the years to make GPO the success it has been, and those who today look forward to continuing that tradition of service well into the 21st century. On March 4, the actual anniversary of the opening of GPO for business, we held a ceremony paying tribute to these employees. Throughout the year, special events and activities are planned, many of them designed not as a one-time-only event, but as a lasting way of recognizing and enhancing our efforts. There are educational and historic exhibits planned, some for display at the Library of Congress and the Smithsonian. An oral history program capturing the wealth of information stored in the memories of former and longtime employees is underway and a major cleanup effort reflecting the pride of our employees in their work place is already transforming an old GPO into a bright spot on North Capitol Street. All of these activities, along with the traditional aspects of any similar anniversary, are making 1986 a very special year for GPO. It seems so appropriate that at the same time we renew our commitment of service to our customers we also celebrate a heritage of past successes and accomplishments.

Visitor Exchange Program

This past year, with the strong support and cooperation of my Deputy, Joe Jenifer, I started the first-ever international visitor exchange program in the government printing field. This program offers personnel from foreign government printing departments the opportunity to visit and study at the GPO for extended periods. Our first visitor, in September 1985, was from Her Majesty's Stationery Office in England, while our second visitor, in March 1986, was from the New Zealand Government Printing Office. GPO personnel will also be given the opportunity to make reciprocal visits abroad.

Community Involvement

In an effort unparalleled within the Federal Government, GPO has initiated a Community Outreach effort which has attracted the attention and earned the praise of other agencies, the media, and community leaders. Drawing upon a remarkable spirit of generosity found in the GPO workforce, we have begun a program which links the efforts of our employees with needs within our community. It is the first such linking of a Federal agency with a community organization - in this case the Metropolitan Police Department of the District of Columbia. The first phase of this program, Civic Partners, got underway nearly a year ago. Several GPO employees are serving as role models for youths from the District. A second phase, Adopt-A-Family, was started this past December. Never have I witnessed such an outpouring of compassion as our employees "adopted" needy families within our community - providing them with food, clothing, and household necessities. The most remarkable aspect of this program is its continuing nature. Our employees did not just provide a happy holiday for these families. Their involvement continues as we try to actually enhance the day-to-day living status of these individuals. As each new phase of the Community Outreach effort begins, our workforce seems eager to take on yet another. In the future, we hope to add a literacy assistance program, some joint GPO/District recreational activities, and a job assistance effort. Just as our employees give readily of themselves to fulfill their job demands, they are no less willing to give of themselves to help those in their community.

Employment Levels

With all of the improvements we have made and will continue to make in the future we must remember one of our major objectives is to reduce the costs of the products and services we provide. Since personnel costs are a major component of these costs, our efforts to reduce the number of GPO employees will continue. These efforts have resulted in the reduction of full-time equivalent employment for GPO from 5,567 in 1984 to 5,385 in 1985, a decrease of 182 workyears or 3.3 percent.

International Exchange Program

I am also proposing a funding change to begin in fiscal year 1987, that will help us reduce personnel and operating costs. Title 44 U.S.C. provides for certain publications to be distributed through the International Exchange Program. I am proposing that Title 44 be amended and that funding for these publications be transferred to the Superintendent of Documents, Salaries and Expenses Appropriation. This change will allow us to reduce our overhead costs and eliminate four positions.

Future Directions

The Government Printing Office is an institution dedicated to the pursuit of excellence in the fulfillment of its statutory mission. GPO is a demand-driven, service-oriented agency truly capable of providing the best possible products and services at the lowest possible cost to the taxpayer. GPO has been in the midst of a fundamental transformation from an industrial printing and distribution facility to a high technology, computer-assisted, information disseminating operation. GPO, of course, has not been unique in this regard, reflecting rather than anticipating the problems and opportunities that now face American industry. We have made great strides and are optimistic that GPO can perform an even more effective role in the future. During the 125th anniversary year of our founding, there is much to celebrate--our tradition of employee values, our sound business position, and our bright prospects for tomorrow.

BUDGET REDUCTIONS

Senator D'AMATO. The House cut your fiscal 1987 request by $9.5 million. How will this affect your operation?

Mr. KENNICKELL. Sir, we can live with it. For a more detailed response, I would like my Comptroller, Joe Cannon, to elaborate a little more on that.

BOUND CONGRESSIONAL RECORD

Mr. CANNON. Mr. Chairman, basically there were two cuts. One of them was to cut off the funding for the Bound Congressional Record. The House deleted the entire funding for that. The second one was that they requested that we continue the actions implemented for the Gramm-Rudman reductions. We feel we can live with both of these.

However, in the past, the House never received any copies of the Bound Record. Copies only went to the Senate. GPO would like to propose that if the Senate wishes to continue receiving the Bound Record that we can reduce the costs significantly by just printing and binding copies of the daily Record rather than going into the extensive revisions and corrections that we have done in the past. Possibly, a printed errata sheet could be bound with these daily copies.

As you can see from the samples we have here, the cost would go from approximately $273 a volume down to about $22 a volume. There would be significant savings.

Mr. KENNICKELL. The only additional expense on this would be if you required us to print the errata sheets; it would be the sort of thing that corrects statements in the Record. But we are sensitive to your needs. If you like the Bound Record, and if you would like an alternative, I will try to provide it. These examples may help.

These are for the committee.

CONGRESSIONAL RECORD TURNAROUND TIME

Senator D'AMATO. Very good.

The June 18 Congressional Record contains a statement by Senator Byrd describing his and others' disappointment with the often slow turnaround time of the Congressional Record in that proceedings from one day are not always available the next. Similarly, in yesterday's hearings, the Secretary of the Senate testified that her office, in conjunction with the Joint Committee on Printing, conducted a study of GPO's turnaround time.

The study revealed that about 70 percent of composition for hearings is delivered 2 weeks later than scheduled, which greatly impacts committee business. How do you explain the problems, and what do you think can be done to remedy Senator Byrd's and the Secretary's observations?

Mr. KENNICKELL. Sir, with respect to Senator Byrd's comments, what happened there is that testimony of the Senator who spoke prior to Senator Byrd was delivered to the GPO 4½ hours late. In fact, later than the Senate's own rules prescribe.

For a little more detail on that, I would like to ask the Superintendent of the Congressional Printing Management Division, John Morris, to respond with just a little more detail. He has the full story on that.

PROBLEM WITH RECORD "OUTS"

Mr. MORRIS. Mr. Chairman, it is referred to as an "out" in the Record. That is where a Member has asked to revise his remarks, gets them back after they are typed up by the reporter, and takes them with him.

When we have an "out" in the Record, we cannot proceed past that point for the final pages. In this particular case, it was 45 pages of Senate; there was an "out." We could not make a page run and go any further than that with the presses as long as that "out" was there. These words were spoken at approximately 7 o'clock, 7:10. They did not come into the Printing Office until 1:35 in the morning. They were in the Keyboard Section at 1:56. They were keyed, dovetailed in, and the other 45 to 47 pages that were in type were put in behind and finalized for press.

Everything that was held out after the 68 pages, or 69 pages which we printed, came in at that 1:35 time. The reason the House was completed is because the House copy was all in by 9:30 and 130 pages of that was a bill or a report which was picked up from our electronic data base.

We have problems with the "outs" in both the House and the Senate; and it does hinder our finalization in electronics. When we worked in hot metal, we could call the reporter and make a guess or leave a certain amount of space and run short or long pages. In electronics, the system does all that, and we have to wait until we have the copy finalized before we can run it.

[CLERK'S NOTE: A letter from Mr. Kennickell in regard to the foregoing matter was received subsequent to the hearing and will be inserted in the hearing record at this point.]

LETTER FROM PUBLIC PRINTER KENNICKELL

JUNE 26, 1986.

Hon. ROBERT C. BYRD,
U.S. Senate,
Washington, DC.

DEAR SENATOR BYRD: I read with great interest and concern your comments regarding the Government Printing Office in the Congressional Record for June 18, 1986. Your indignation over the cutting of the Record prior to a section you considered salient is certainly understandable. I believe an explanation of the facts in this matter is now warranted.

The Record must be printed in chronological order. However, we do not receive manuscript in that sequence. Late receipt of Record manuscript will delay the production cycle until the late material can be prepared. On June 17–18, Senate copy was received in 10 increments between 4:50 p.m. and 1:35 a.m. Material delivered on the floor at 10:10 a.m. was not received until 11:45 p.m. The material we received at 1:35 a.m. was contained in a section of proceedings that was cut. The Senate was scheduled to meet at 9 a.m. on June 18. The only way to ensure the on-time delivery of the Record was to cut it when we did. It should be noted that all copy for the House was received by 9:30 p.m. and that 135 of the 178 pages of proceedings were pre-prepared and in our possession.

Section 4 of the Joint Committee on Printing's Laws and Rules for Publication of the Congressional Record provides for the return of revised manuscript to the GPO by 9 p.m. with an absolute deadline of midnight. We make every effort to preserve the integrity of the Record, cutting it only in unavoidable circumstances.

We were fully aware of the importance of the debates on June 17 and 18 and kept our production personnel working beyond the established deadlines before making the decision to cut the Record. We regret any inconvenience that may have been caused by this situation.

Sincerely,

RALPH E. KENNICKELL, JR.,
Public Printer of the United States.

CONFERENCE REPORT ON URGENT SUPPLEMENTAL

Mr. KENNEDY. May I ask a question?

Senator D'AMATO. Of course.

Mr. KENNEDY. The next day, the House took up the conference report on the urgent supplemental. They completed their action on that urgent supplemental by 5 o'clock in the afternoon, somewhere in that time frame. The last time entry in the Congressional Record for the House of that day was at 3:15 to 3:30, and not a bit of those conference report proceedings were in the Congressional Record.

Mr. MORRIS. I will have to look into that. That hasn't been brought to my attention. The conference report did go up there.

Mr. KENNEDY. The conference report was printed in the Record, that is true. I am talking about the action of the House on that conference report. Those proceedings, which concluded early in the day, 5 to 6 o'clock in the evening at the latest, are incomplete in the Record.

Mr. MORRIS. I will get you the answer, Mr. Kennedy, but it could very well be what we have already discussed: A Member gets his remarks back, and he holds them. That stops us.

[The information follows:]

The reason for incomplete House proceedings appearing in the June 24, 1986, issue of the Congressional Record has been identified as late receipt of manuscript copy. The House met at noon. At 7:30 p.m. GPO had received copy for proceedings up to 12:20 p.m. This copy constituted less than one printed page. At 9:30 p.m. GPO had received proceedings copy up to 2:50 p.m. which allowed only the first 27 pages of the House proceedings to be produced. The balance of House proceedings copy (in excess of 50 percent) was received in three separate deliveries between 10 p.m. and 12:20 a.m. These circumstances necessitated the decision to cut the House proceedings at 41 pages to enable early delivery of the Congressional Record the following morning, since Congress was scheduled to convene at 10 a.m.

RULES ON REVISION OF REMARKS

Senator D'AMATO. Did any Member ever make a request that he have an opportunity to revise his remarks and, therefore, you keep that space open and everything that follows thereafter is held out?

Mr. MORRIS. No, sir; we cannot keep those spaces open, because we don't know where the submission is going to be.

Senator D'AMATO. So everything thereafter is held out?

Mr. MORRIS. No, sir; everything thereafter that we have we keep, run gallies on it, and correct it. That is in a hold stage. When this Member's "out" comes in, it will be put in and run through the pages.

Senator D'AMATO. It essentially stops the process.

Mr. MORRIS. It essentially stops the finalization.

Senator D'AMATO. Any Member can do that? You have no rules as to how long you will keep it open?

Mr. MORRIS. Yes, sir; but the rules have never been observed by Congress, or GPO.

Senator D'AMATO. What are the rules?

Mr. MORRIS. The rules say withheld remarks must be in by 9 o'clock. If they come in too late, the Public Printer has permission to withhold that copy from that day's proceedings. I will read you the specific text if you like.

Senator D'AMATO. You don't have to read me the exact rules. This isn't confrontational. You all know I don't get confrontational.

Mr. KENNICKELL. Sir, what we do is we actually violate our own internal procedures and extend for the benefit of Congress, some of our own procedures that takes up some of the slack. Occasionally these things happen.

Senator D'AMATO. Maybe the leadership has got to come to some kind of decision as to just how long they will keep the Record open for the corrections to be made so that we don't have this kind of situation.

You will frame that request, Keith?

Mr. KENNEDY. Yes, sir.

Senator D'AMATO. It seems we can't blame them for not going to print if there are extenuating circumstances. There is the one other question.

Senator STEVENS. Is this the temporary Record or the permanent Record?

Senator D'AMATO. Temporary.

TURNAROUND TIME ON HEARINGS

The one other question is that which I think the Secretary of the Senate indicated in terms of the turnaround time. Only 70 percent of the composition for hearings is being delivered adequately. The others are coming later than scheduled. Can you do anything? What is the problem there?

Mr. KENNICKELL. That is the first time I have heard that. I am unaware of that.

Mr. MORRIS. I was under the impression that we had a very good relationship with the Director of Printing in the Senate.

Senator D'AMATO. I will give you a copy. I will give you a copy of the Secretary's statement as it relates to the turnaround time in the printing. It says, and I am quoting:

> The study revealed that approximately 70 percent of the composition for hearings is delivered 2 weeks later than scheduled and impacts committee schedules accordingly.
>
> We have alerted GPO to the seriousness of this situation.

What we will do is ask you to respond to that. Take a look at it; tell us what you are going to do and how you can deal with this.

Mr. MORRIS. Approximately 80 to 90 percent of our hearings go private contractors for composition. We have nothing to do with the first-run composition in GPO. The Senate has scheduled their hearings for 2 to 3 weeks so we can send them out to be set on our 280–M Program.

The contractor sends them back; we scan and send them out. That is what takes place.

Senator D'AMATO. I will ask you to reply to this in writing. OK?

Mr. KENNICKELL. Yes, sir.

SUBMITTED QUESTIONS

Senator D'AMATO. We have some other questions we will submit to you for the record.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

Question. The House cut your FY 87 request by $9.5 million. How will this affect your operation and your priorities as you saw them in light of your request?

Answer. The $9.5 million reduction proposed by the House to the FY 87 Congressional Printing and Binding appropriation includes $4.3 million for the elimination of the printing and binding of the 1986 and 1987 Bound Congressional Records, and $5.2 million for a continuation of the actions required to achieve the reductions required by P.L. 99-177. Since the GPO responds to the demands of Congress and provides the printing and binding services necessary for Congress to fulfill its mission, and the Congress has not indicated any major problems with the P.L. 99-177 reductions, we anticipate no problems with the $9.5 million cut.

Question. Please elaborate for the record what you plan to do about the inefficiencies and problems concerning turnaround time of the Congressional Record and of hearing records as mentioned by Senator Byrd in June 18th's Congressional Record, and by the Secretary of the Senate in her testimony before this Committee?

Answer. As we have indicated, there is a problem with "outs" in the Congressional Record and with not receiving copy in a timely manner. We will work with officials of the Congress and staff of the Appropriations Committee to alert Members and staff of the necessary time constraints.

There are several aspects of producing the Record that are being investigated which, if instituted, could enhance our capability to produce larger Records. They are:

(1) The changing of employee starting times which would give us more manpower when Record copy is the heaviest, based upon historical data.

(2) The development of software enhancements that will allow us to interact with our databases. As a result, this will decrease the time required for pages to be processed through our composition systems.

(3) To seek the permission of Congress to proceed past "outs" in the receipt of copy. With the permission of Congress, a line could be inserted in place of the missing statement similar to: "Mr. ________'s statement was withheld. It will appear at the end of the day's proceedings." Then these remarks would be placed at the end of the proceedings of each House, and identified as copy previously referred to as withheld.

(4) And, finally, GPO management, through the JCP, will further pursue — with the Office of the Clerk and Office of the Secretary — automation of the Digest.

In April 1985 we reconstituted use of our 280-M printing procurement program which is the purchase of composition through commercial printers. With the cooperation of the Director of Printing Services of the Senate, in the scheduling and prioritizing of hearings, and use of the 280-M program, we have been able to alleviate the backlog during this session of the 99th Congress. Those hearings that do not have enough lag time — 2 to 3 weeks -- to be placed on the 280-M program, are still done in-house and every attempt is made to meet the schedule.

We are also in the process of finalizing a contract which calls for composition turnaround in 4 - 72 hours. When put into effect in the fall, it should eliminate delays in producing committee hearings.

Question. It was our hope that automation of the GPO would cut turnaround time and costs per page. We've discussed the former. Now please explain why the Record has jumped from $103 to $107 per page and other printing has jumped from $55 to $58 per page?

Answer. The estimated cost per page reflects our actual historical cost for producing that particular category of work. All cost savings, including our automation efforts are factored in, and are reflected in these estimates. Automation efforts on the Record have kept the cost of this publication low for the past few years and this year's small increase reflects the increased cost of labor and material. Based on direction from the Committee, we no longer project any wage increases into these estimates.

Question. What has been the response to the newly authorized offering of the Congressional Record in microfiche? What is the subscription price of this product and how many subscriptions have been ordered to date? What is the cost of production and handling of microfiche as opposed to the printed Record?

Answer. The microfiche is mailed daily, when Congress is in session, and includes indexes. Current issues are available now and back issues of the 99th Congress, Second Session, will be available at a later date. The subscription price has been set a $118 per year. The paper version sells for $218 per year. At present, there are ten subscribers on file.

The cost of production and handling of microfiche is estimated at approximately one-third the cost of the printed Record.

Question. Please give us an updated figure for your bookstore receipts, and on your plans to relocate since last year's hearing, and from where to where? Have these relocations resulted in an increase in receipts?

Answer. Receipts for all the bookstores total $6,810,185 through May, 1986 with an estimated net income of $1,012,144.

GPO currently operates 20 bookstores outside the Washington area and four in the Washington area. In addition to the Washington bookstores, separate outlets for congressional publication were recently opened in the GPO main building and in the Hart Senate Office Building. The Pentagon bookstore is scheduled to be closed as a result of tightened security measures. We are also considering closing the Commerce bookstore, for which access by non-government personnel is difficult. The Farragut West store may close due to loss of the lease. GSA has refused to extend the existing lease because they are moving out of the building. There is asbestos in the building and only our store has been protected from this problem. However, we will need to expand the Farragut store if we can stay there, and if expansion space is available. Otherwise we will have to seek a new location large enough to handle the increased business and which will allow pickup capabilities.

The most recent relocation is the Kansas City bookstore, from a government building to the Bannister Shopping Mall in April 1985. The six months prior to the relocation brought in an average of $14,353 per month in receipts. The same time period this fiscal year brought in an average of $29,502 per month in receipts.

Two of the 20 bookstores outside the Washington area are located in high-traffic commercial shopping malls. The Los Angles bookstore is located in the Atlantic-Richfield Plaza, and the Kansas City bookstore is in the Bannister Shopping Mall. The Philadelphia and Birmingham stores are scheduled to move to commercial locations this year.

Question. You have language in your Revolving Fund request stating that "the revolving fund shall be available for all expenses necessary to host a world-wide Public Printers' Conference." What is the purpose of this conference and what will be the approximate cost of hosting it?

Answer. The purpose of this conference is to provide a forum for the exchange of ideas and discussions of mutual objectives and problems regarding the responsibilities of government printing officials throughout the world. It is planned for September, 1987 in Washington, DC. Conference expenses to be paid for by the revolving fund will not exceed $25,000.

Question. What is the purpose of your Printing Procurement Satellite Office program and how many such offices are open? Has the program been cost-effective?

Answer. Four Satellite Offices have been opened since last July — San Antonio, Texas; Charleston, South Carolina; San Diego, California; and Oklahoma City, Oklahoma which opened this month. An office in New Orleans is planned for later this year and other additional sites are being considered for next year.

Over 60 percent of the commercial contracts established by GPO are handled through our 14 regional offices, some of which are rather large and serve many customer agencies. The satellite offices are designed to better serve our customers by strategically locating them where a large amount of work originates. This approach benefits the agencies in the area of the satellite as well as increasing contracting opportunities for local printers.

Since San Antonio, Texas opened in July 1985, through May 1986, they have accounted for $1.9 million worth of business. For the first eight months of its operation, the second satellite office, Charleston, South Carolina has processed $1,044,168 worth of business. As more agencies direct work to these satellites as well as the other two more recently opened offices, revenue is anticipated to increase. Additionally, more term contracts from the host offices will be transferred to the satellites for handling. This action will serve the agencies in those areas more efficiently and increase the satellites' revenue at the same time. Currently, the San Antonio Office is operating at a profit. The other three offices are not yet operating at a profit due to start-up costs and because they have been in operation a shorter period of time.

Question. Please describe a few key services in your new customer service program. What have you heard from customers about the effectiveness of this program? Have your efforts resulted in any cost savings?

Answer. We have explored a number of avenues to increase our interaction with our customers. The Customer Service Staff was reorganized last year in order to provide an aggressive, full-service, individualized approach to assisting our customers. Our Account Representatives have made more than fifty visits to customer agencies to discuss problems, ideas, and future plans with their "opposite numbers." We have developed the concept of "people power" in which every employee considers himself a "customer service representative." Participation in such advisory and user groups as the Federal Publishers Committee and the Information Resources Advisory Council has paid dividends in relieving customer apprehensions about GPO's plans and intentions. Over 300 participants have attended our Interagency Training Course for Printing Assistants, which is designed to enhance the skills of printing liaison personnel throughout the government.

Our Editorial Planning for Printing Production course serves the same purpose for writers, editors, and editorial assistants. Also, we designed the new "At Your Service" brochure as a sales and informational tool covering all of GPO's products and services.

We have received very positive feedback from our customers regarding our efforts. Many of the printing and publishing officials we deal with, have commented on GPO's new openness and commitment to quality service. This has resulted in a willingness among our customers to get GPO involved very early in major publishing efforts and to solicit our input for their long-range plans. In general, there has been an improvement in communication and a new spirit of cooperation and trust between GPO and its customers. Indicative of our success are more than 80 letters of commendation from customers honoring our employees, and over $800,000 in cost savings achieved during this fiscal year through customer consultations.

Included in these savings are:

National Institutes of Health has saved $112,000 through a recommended change in paper stock.

Department of the Treasury has saved $100,000 through a recommended change in contract language regarding perforation of marginally-punched snapsets.

U.S. Postal Service will save $80,000 annually through the recommended termination of negative storage on the Zip-Plus-Four directory.

Question. You are projecting volume decreases in most categories of Congressional printing and binding, presumably because of Gramm-Rudman-Hollings' effect on the number of publications requested and printed. Last year, Congress recommended an employee ceiling on the GPO of 5,480. Though you may have considered this number to be restrictive initially, given the decreases in production volume, please assess the effect of this ceiling on your current operation?

Answer. We anticipate volume decreases for the Congressional Record Program, Details to Congress, Document Envelopes, Committee and Business Calendars, Committee Reports, Documents, and Committee Prints. However, we also estimate volume increases for the categories of Miscellaneous Publications; Miscellaneous Printing and Binding; Document Franks; Bills, Resolutions, and Amendments; and Hearings.

Over the last ten years the employment of GPO has dropped from 8,500 to the present population of less than 5,400. This has been accomplished through natural attrition and with no ceiling. The short term effect of a ceiling of 5,480 has been negligible; the long term effect will be adverse. The primary problem is that the ceiling language treats all GPO employees as equal, for accounting purposes, and does not consider the availability of the employee during the work year. This uncharacteristically rigid language, makes this agency count part-time temporary employees as if they were full-time permanent personnel charged to the ceiling. In short, GPO cannot overcome peak demands with less expensive part-time temporary help; it must use expensive overtime.

I propose that the Senate, if it desires a FY 87 ceiling, limit the employee level that is presently configured under the Operations Division. By controlling this level, the Congress will control the employment level of the craft production and support employees that produce Congressional printing. I agree with the House that we should use the standard full-time equivalent (FTE) measure. This should assist the Congress in making an accurate assessment from which it may draw certain conclusions regarding GPO efficiency and automation.

I beseech you to remove the present 5,480 employee ceiling. However, if you deem a ceiling to be necessary, I recommend that it be replaced with a FTE ceiling. I would suggest the following language change: "The revolving fund may not be available for the employment of more than 2,600 full-time equivalent workyears, in the Operations Division."

Question. Please describe for the record your plans to simplify the funding mechanism for the International Exchange Program. Are there similar ways to streamline other GPO programs as well? What savings do you project will come from streamlining the IEP?

Answer. The proposal is to bill one account — the Salaries and Expenses Appropriation — for the cost of the International Exchange Program instead of the present practice of billing agencies for the cost of each publication distributed in this program. Consequently, we will reduce our personnel requirements in our Billing Branch by approximately four positions with a resulting decrease in our overhead costs. There will also be administrative cost savings for the agencies that had to review and pay these bills.

A similar proposal designed to reduce administrative costs would be to combine the Congressional Printing and Binding and the Printing and Binding Appropriations. The publications involved are basically the same under each appropriation, the distinction being that by-law recipients, other than Congress, have their copies charged to the Printing and Binding Appropriation. This requires the GPO to maintain duplicate accounting, billing, and budget records for the same publications. The Congressional Record accounts for over 90 percent of the Printing and Binding Appropriation estimates for 1987, and, as a result of restrictions implemented under P.L. 99-177, this percentage could increase.

Question. What is the status of your intention to use revolving fund money to purchase land adjacent to the GPO?

Answer. We have entered into an agreement of sale with the Government of the District of Columbia for the purchase of the land. However, settlement has not yet occurred, so we are requesting language in this year's bill similar to that which appeared in last year's. Because of its location we feel it is important for GPO to take advantage of the availability of this land.

Question. For some time you have suffered from a cataloging backlog. How big is your current backlog? Does the problem seem to get better or worse with time?

Answer. The cataloging backlog was 7,075 publications as of June 30, 1986, and has increased by 1,581 since the beginning of FY 86. However, during that same period, the Classification and Cataloging Branch lost six trained and experienced catalogers through attrition. The cataloging backlog is expected to continue to increase at a moderate pace, until replacement catalogers are hired and fully trained.

Question. What shifts in staff placement will occur as a result of your prioritizing vis-a-vis Gramm-Rudman-Hollings? Which departments will receive more people?

Answer. We have not yet experienced any significant shift in personnel as a result of Gramm-Rudman-Hollings. Because there was some anticipation of a mega-increase in procurement activities because of printing plant closings in the Executive agencies, I did increase the employee ceilings for our Procurement Department and our Office of Inspector General. These were offset by decreases in our Production Department. However, despite the ceiling increases, actual personnel increases have not taken place, and I do not expect them to take place unless there is an absolute justified reason for it.

Question. Please submit a figure for the number of people who use the depository libraries. Are the services of the libraries cost-effective or are we losing money?

Answer. Based on the most recent Biennial Survey of Depository Libraries, the number of depository library users in 1985 was estimated to be about 10,151,200 per year, or 140 users per week in the average library. The Depository Library Program is authorized by law and funded through appropriations. It is not operated on a cost-recovery basis. We believe the Library Program is administered in a very cost effective manner.

Question. What cost benefits have there been, if any, from leasing your auto fleet instead of ownership?

Answer. Over one year ago GPO requested approval from the JCP to participate in the GSA Fleet Management System. The JCP denied the request in December 1985, based on concerns that consolidation would reduce GPO's control over its motor vehicles thus impairing GPO's responsiveness to its customers, and that consolidation had not been demonstrated to be cost beneficial. GPO provided additional information and requested reconsideration in January 1986. However, the JCP denied the request again in June 1986, this time requesting that GPO develop an overall motor vehicle policy.

Based on language in last year's bill, the GPO now leases all replacement passenger vehicles. We feel that the leasing of all motor vehicles from GSA would provide:

(1) significant cost savings over GPO purchasing and maintaining the fleet,

(2) improved maintenance and road service that is provided by GSA, and

(3) would allow for better utilization of the area currently used as a garage facility at GPO.

We will continue to work with the Joint Committee on Printing to alleviate all of their concerns and hopefully we will eventually receive their approval to participate in the GSA Fleet Management System.

CONGRESSIONAL BUDGET OFFICE

STATEMENT OF RUDOLPH G. PENNER, DIRECTOR

ACCOMPANIED BY JAMES L. BLUM, ASSISTANT DIRECTOR, BUDGET ANALYSIS DIVISION

OPENING REMARKS

Mr. PENNER. Good morning.

Senator D'AMATO. Good morning. How are you doing?

Senator STEVENS. Good morning.

Senator D'AMATO. Do you have a statement?

Mr. PENNER. I have a large statement.

Senator D'AMATO. I will ask that you summarize your testimony. Senator Stevens has some particular questions. My questions, for the most part, I will ask you to answer in writing. Why don't you summarize your statement?

BUDGET REQUEST

Mr. PENNER. Thank you very much, Mr. Chairman. I am pleased to appear here today to present the fiscal year 1987 budget request for the Congressional Budget Office [CBO]. I will submit my entire statement for the record and briefly summarize.

We are seeking a funding level for fiscal year 1987 of about $19 million, which includes a request for 10 additional positions. This is our first request for positions in 4 years, and while the specifics are outlined in my formal statement, we would assign the new slots to three of our divisions—Budget, Tax, and Fiscal Analysis.

INCREASED WORKLOAD

These past months have been extremely demanding ones at CBO. With the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985, we have experienced firsthand the increased workload. I am proud of our staff and the manner in which all committed themselves to meeting the tight timetable and producing the reports that are stipulated in this new and far-reaching legislation.

With the legislation under challenge in the courts, I must underscore that the increased workload we are experiencing will not diminish regardless of what action the Supreme Court takes. Even if the Supreme Court upholds the lower court decision, there is a mechanism in the law that would replace the role of the General Accounting Office with the joint committee of the Congress. CBO's role remains the same in any case.

IMPACT OF BALANCED BUDGET ACT

The Balanced Budget Act will have a substantial impact this year on the costs of CBO. You will recall, Mr. Chairman, that our fiscal year 1986 budget request was initially cut by 10 percent in across-the-board action. Before final passage, upward adjustment was made, restoring $277,000, and I would like to thank the subcommittee for its role in that restoration.

Through sequestration, the new Balanced Budget Act caused a subsequent reduction in CBO resources of $726,000. In real terms, our 1986 budget is considerably below that of 1984. This comes at a time when the additional computer time and computer printouts necessary to perform the analysis mandated by the act are significant.

SEQUESTRATION REPORT IMPACT

The printing costs relating to the publication of the sequestration report are also substantial, and there has been enormous demand on staff to regularly work overtime to complete the major report.

Moreover, the new duties result in additional requests for testimony and briefings as well as an added number of questions from Members of the Congress, agencies, and the general public. We are doing our very best to absorb these additional costs as a result of our role in this legislation, but the impact is certainly being felt most keenly.

Although it is difficult to do precise cost accounting for such a complex task, I believe that it is fair to say that our workload has increased proportionately more than the requests have increased our budget.

INCREASES LISTED

The increases comprise the following items: About $1 million for personnel costs; about $1.5 million for increased costs related to automated data processing; $240,000 for systems data and model development; and $146,000 for other costs.

Specifically, the new tasks most importantly include the sequestration report, which is jointly prepared with OMB. That report estimates by how much the estimated deficit exceeds the Balanced Budget Act target. It provides our economic assumptions and then calculates the amount of any sequestration, if that is necessary.

It involves reviewing over 1,000 budget accounts and applying the requisite percentage cuts there. Our personnel resources were strained by the task, and we anticipate the workload will be even more demanding in August when last-minute congressional action could dictate changes in the budget figure.

In addition to the sequestration report, CBO is given the responsibility for alerting the Congress to a recession or a downturn in the economy that would allow the suspension of the act.

Finally, we have a new report to prepare on unauthorized appropriations and expiring legislation. This is not a major task. While it has to be more elaborate than in the past, we have essentially been doing that informally anyway.

Let me stop at that point, Mr. Chairman, and take your questions.

PREPARED STATEMENT

Senator D'AMATO. Fine. But before we do, let me insert your prepared statement at this point in the hearing record.

[The statement follows:]

STATEMENT OF RUDOLPH G. PENNER, DIRECTOR, CONGRESSIONAL BUDGET OFFICE

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 1987 budget request for the Congressional Budget Office (CBO). As you know, CBO is a nonpartisan analytic organization that furnishes the Congress with information and analyses on issues relating to the U.S. economy, the federal budget, and federal programs. The CBO does not make policy recommendations, but presents the Congress with options and the possible budgetary and economic consequences.

With the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985, the Congressional Budget Office has been assigned added duties and responsibilities of such a nature as to have a significant impact on the workload of the agency. The fiscal year 1987 budget request we submit to you today reflects this impact and the need for additional resources.

BUDGET REQUEST

Mr. Chairman, our request for fiscal year 1987 is $19,060,000, which includes 10 new positions. This is the first request for new positions in four years. We have not requested positions in previous years unless new duties and responsibilities were assigned to us as a result of Congressional action. These 10 positions are earmarked for three of our divisions: Budget Analysis, Fiscal Analysis, and Tax Analysis. My detailed justification statement will deal with the nature of these positions and how we propose to spread them among the three divisions.

It is important to stress at the outset that CBO's increased workload, as a result of the Balanced Budget Act, will not be lightened whatever action the Supreme Court takes in ruling on the lower court's decision. Even if the Supreme Court upholds that decision, there is a mechanism in the law that would replace the role of the General Accounting Office with a joint committee of the Congress. CBO's role will remain as outlined in the legislation.

The Balanced Budget Act will have a substantial impact this year on costs at CBO. The additional computer time and computer printouts necessary to perform the analysis mandated by the act are significant. Printing costs related to the publication of the Sequestration Report also are substantial. And there has been an enormous strain on the staff, who regularly worked overtime to complete the report. Moreover, the new duties resulted in additional requests for testimony and briefings and added to the number of queries from Members of the Congress, agencies, and the general public.

Of course, we will do our best to absorb such costs, but these increases come at a time when our fiscal year 1986 appropriation was reduced substantially. In real terms, our fiscal year 1986 budget is almost 7 percent below that of 1984. The increase we request comprises the following items:

- $1,032,000 for personnel costs;
- $1,482,000 for increased costs related to our automated data processing, including new work and upgrading and maintaining the systems;
- $240,000 for systems data and model development; and
- $146,000 for other administrative costs.

Mr. Chairman, I reiterate that, as in the past, we have taken a most prudent funding approach in our fiscal year 1987 budget request. At the same time, the new tasks we face are enormous. In order that CBO continue to operate at the level of efficiency and professionalism the Congress.has come to expect, we are calling for an increase in resources. Before going into detail about our request, I would like to review for the Committee the principal services that CBO provided to the Congress in the past fiscal year.

NEW CBO SERVICES TO THE CONGRESS

Once again in fiscal year 1985, budget issues dominated the legislative agenda of the Congress. As a result, the work of the CBO figured prominently in many Congressional deliberations. Nowhere were the efforts of the CBO more evident than during the debate of the Balanced Budget Act.

From the opening round of debate, CBO was called upon to provide detailed estimates of the bill's consequences. Conference sessions were often long and arduous, conducted under imposing deadlines. The CBO was routinely required to provide detailed calculations of complex proposals and alternatives in very short order. This work came at the end of the fiscal year when the agency's workload was already heavy and it was under pressure to keep pace with the usual end-of-session flurry of Congressional activity. CBO personnel regularly worked overtime to meet the needs of the Congress for budgetary information. I cite this to underscore how very proud I am of the staff and the results of the labors of so many.

First and foremost among the new tasks mandated of the CBO by the Balanced Budget Act is the Sequestration Report. This report is jointly prepared by the CBO with the Office of Management and Budget (OMB) of the Executive Branch. As required by law, the joint report:

- Estimates budget base levels, including the amount by which the projected deficit exceeds the maximum deficit amount for the fiscal year;
- Provides OMB and CBO economic assumptions, including the estimated rate of real economic growth; and
- Calculates the amounts and percentages by which various budgetary resources must be sequestered in order to eliminate any deficit excess.

CBO analysts reviewed over one thousand budget accounts and applied percentage cuts in hundreds of them to complete the required report. Personnel resources were strained by the task and we anticipate the workload will be even more demanding in August when last-minute Congressional action could dictate changes in the budget picture.

In addition to the Sequestration Report, the Director of CBO is given the responsibility for alerting the Congress to a recession or downturn in the economy that might warrant the suspension of the Balanced Budget Act's deficit targets. In order to do this, the CBO will have to maintain constant readiness to provide up-to-date, near-term forecasts of the economy. This sort of forecasting is currently done semiannually, but the new legislation calls for a type of monitoring that will increase both our manpower and computer needs in the area.

Finally, the Balanced Budget Act requires CBO to provide the Congress with a report on unauthorized appropriations and expiring legislation. For the most part, this is information that CBO has been collecting and providing on request to the House and Senate Budget Committees. Now, however, CBO will have to file a report by January 15; identify therein programs and activities that were funded--appropriations made--for which authorizations have not been enacted; list the programs and activities in greater detail than is currently maintained; and, after consulting with the appropriate committees, make its report to the Congress rather than just the Budget Committees. I will provide the Committee with a copy of the report we submitted on January 15th.

CURRENT CBO SERVICES TO THE CONGRESS

The Congressional Budget Act of 1974, as amended, mandates that CBO prepare certain reports on a regular basis and other studies in response to Congressional requests. Specifically, CBO carries out the following tasks: maintains current tabulations of Congressional revenue and spending actions (scorekeeping); prepares five-year cost estimates for bills reported by authorizing committees; prepares outlay estimates for bills providing new budget authority; supplies tax expenditure and revenue information; annually reports projections of new budget authority, outlays, and revenues for the coming five fiscal years; estimates the cost to state and local governments of carrying out or complying with federal legislation; prepares periodic forecasts of economic trends and alternative fiscal policies; and analyzes issues that affect the federal budget.

Scorekeeping

CBO provides the Congress with up-to-date tabulations of Congressional actions on revenue and spending bills. These tabulations are used, particularly by the Budget and Appropriations Committees, to measure the status of Congressional budget actions relative to the targets or limits specified in the concurrent resolutions on the budget.

The bulk of CBO scorekeeping activities involves spending actions. The spending side of the federal budget is complex, consisting of more than 1,000 separate accounts. Furthermore, the Congress acts each year on a large number of individual legislative bills that affect spending, including 13 appropriation bills. CBO's scorekeeping system keeps track of Congressional action on all these bills from the time they are reported from committee to the time when they are enacted into law. As a result, the CBO scorekeeping data base for budget authority and outlays is very large, and keeping it current represents a major effort.

CBO scorekeeping estimates are derived from its analysis of the President's budget, baseline budget projections, and bill cost estimates, as well as from the economic assumptions used for the concurrent budget resolution. CBO reviews its scorekeeping estimates on a comprehensive basis at least twice a year to incorporate new information provided by the Office of Management and Budget (OMB) and other federal agencies, revised economic assumptions that may be adopted by the Budget Committees, and other relevant data. Any reestimates resulting from these reviews are considered by the staffs of the Budget and Appropriations Committees before they are adopted as official scorekeeping estimates.

Specially designed computer scorekeeping reports are provided weekly, and sometimes daily, to the Budget and Appropriations Committees. Frequent letters are also sent to the Chairmen of the two Budget Committees to advise them on current budgetary levels. Advisory letters also have been sent on request to the Chairman of the House Appropriations Committee on the budgetary impact of individual appropriation actions, such as a supplemental appropriation bill or a continuing resolution.

The CBO automated scorekeeping data base is used to provide special computer reports to the Appropriations Committees for use in preparing their March 15 reports and in dividing budget resolution allocations among subcommittees. In addition, the Budget Committees use the data base to formulate budget resolutions.

The CBO also prepares a weekly automated report on the legislative status of selected entitlement and other bills that would directly affect budgetary requirements. Similar reports provide information on the legislative status of bills affecting credit activities, bills providing required authorizations for requested appropriations, and proposed revisions of the Budget Act. Copies of these reports are provided to the staffs of the Appropriations and Budget Committees of both Houses. These automated reports originate from a request by the House Appropriations Committee.

In addition, CBO has developed a scorekeeping capability for tracking Congressional action on the federal credit budget. This separate, automated data system is used primarily by the two Budget Committees.

Baseline Budget Projections

Each year CBO prepares a new set of baseline budget projections. The projections take as their starting point the budgetary decisions made by the Congress through its most recently completed session and show what would happen to the budget if no new policy decisions were made during the next five fiscal years. These projections do not represent a forecast of future budgets, because the Congress undoubtedly will make numerous new policy decisions in response to changing national needs and economic circumstances. They do provide, however, a useful baseline or benchmark against which proposed changes in taxes or spending policies may be measured and assessed. A longer-term framework is helpful in making annual budget choices. Policy decisions sometimes have little impact on the budget in the short run, but significantly influence budget priorities over a period of several years. Because the annual budget resolutions now include a credit budget component, the Budget Committees have asked CBO to develop baseline budget projections for federal credit activities.

CBO's budget projections capability has enabled the Congress to move more and more in the direction of multiyear budgeting. For example, for several years both Budget Committees have used the CBO baseline budget projections as a starting point for formulating its recommendations for the first budget resolution. The CBO baseline spending projections are distributed to the Appropriations Committees and the authorizing committees of both Houses as background information for preparing their "views and estimates" reports to the Budget Committees, now required by February 25. The Budget Committees then use the CBO baseline projections in their budget resolution markup materials to assess how spending and revenues should be altered in the future to meet fiscal policy goals and national needs. Both Budget Committees include three-year targets in their recommended budget resolutions.

The CBO budget projections took on added importance in 1981 when they served as the baseline for computing the spending reductions to be achieved in the budget reconciliation process. They have served this purpose for every reconciliation bill since. Moreover, CBO has made similar use of baseline budget projections in its bill cost estimates for calculating the costs or savings that would result from legislative proposals to change existing law. This is particularly important for calculating the budgetary effects of changes in various entitlement programs.

The growing use of budget projections requires CBO to maintain a large multiyear data base on a year-round basis. CBO now provides both

Budget Committees with numerous sets of five-year projections of revenues and spending throughout the year, usually in the form of computer tabulations. In addition, CBO publishes annually a five-year budget projections report, usually at the beginning of each session of the Congress.

Analysis of the President's Budget

The Congressional Budget Office carefully reviews the budget estimates that the Administration submits to the Congress. These reviews evaluate the Administration's budget estimates and, where necessary and appropriate, reestimate the Administration's budget estimates using different economic assumptions and CBO's estimating techniques and methods.

The economic assumptions used by the Budget Committees to formulate the annual budget resolutions usually are different from the assumptions the Administration uses in preparing the President's budget. A different set of economic assumptions may significantly alter the budgetary impact of the President's proposals. Both Budget Committees periodically ask CBO to reestimate the President's budget using different economic assumptions.

CBO has an independent capability for estimating the impact on budget outlays of various budget proposals. To keep these techniques and methods as accurate as possible, CBO staff carefully monitor both actual spending trends as reported monthly by the Treasury and various program data series that show trends in the use of federal benefits and services, the growth in beneficiary populations, and other factors affecting federal spending. The CBO uses these independent methods to reestimate the effect of the President's budgetary proposals. In recent years, these so-called "technical reestimates" have been significant.

In addition to reviewing carefully the Administration's budget estimates, each year CBO prepares an overview analysis of the President's budgetary proposals. Since 1984, this publication has been requested by the Senate Committee on Appropriations to assist Members and staff in preparing for overview hearings on the Administration's annual budget. The report discusses the economic outlook for the next several years and the possible economic impact of the President's proposals. It also presents CBO's preliminary reestimates of the budget impact of these proposals based on alternative economic assumptions and on CBO's estimating techniques and methods.

Bill Cost Estimates

The CBO prepares cost estimates for virtually every public bill reported by legislative committees in the House or Senate that would have a budget impact. CBO also prepares numerous cost estimates at committee request for use in earlier stages of the legislative process. CBO's bill cost estimates have become an integral part of the legislative process. Committees refer to them increasingly at every stage of bill drafting; indeed they are having an impact on the final outcome of legislation.

The number of such bill cost estimates prepared each year varies, depending on the amount of legislation being considered and reported by legislative committees. For 1985, the number of individual cost estimates was 601, as shown in Table 1.

TABLE 1. BILL COST ESTIMATES (FORMAL AND INFORMAL)

Year	1978	1979	1980	1981	1982	1983	1984	1985
Federal Estimates	995	830	861	553	747	676	687	601
State and Local Estimates	N/A	N/A	N/A	N/A	4	573	641	533

A large part of CBO's bill costing activity in 1985 was for the House and Senate Committees receiving reconciliation instructions in the budget resolution for fiscal 1986. When combined with corresponding work on reconciliation proposals in 1981-1984, these efforts are equivalent to several hundred bill cost estimates. Because CBO's bill-cost estimate tracking system has treated work on all the reconciliation proposals as if they were a few large bills, this workload is not reflected fully in the figures shown in Table 1 for 1981-1985.

In addition to cost estimates for bills reported by legislative committees, CBO also provides the Appropriations Committees with outlay estimates for all appropriation bills. These outlay estimates are prepared for each appropriation account and are transmitted to the staffs of the committees largely in the form of computer tabulations. For example, many reports display both budget authority and outlay data in the Comparative Statement of Budget Authority (CSBA) formats used by the Appropriations Committees.

State and Local Government Cost Estimates

The State and Local Government Cost Estimate Act (Public Law 97-108) enacted in late 1981 expanded CBO's bill costing responsibilities by requiring estimates of the cost that would be incurred by state and local governments in carrying out or complying with legislation that is reported in the House or the Senate.

CBO's policy is to review as many bills as possible to identify their potential impacts on state and local government costs. These cost estimates may be limited to bills that, in the judgment of CBO, are likely to result in an aggregate annual cost to state and local governments of at least $200 million or to have exceptional fiscal consequences for a geographic region or particular level of government. During 1985, CBO prepared state and local cost estimates for 533 bills. Of these bills, CBO estimated that 45 had some potential effect on the budgets of state or local governments and 488 had none.

Two examples of CBO analyses of state and local cost impacts are:

- Cost estimates for S. 1200, the Immigration Reform and Control Act of 1985, which would make some major revisions and reforms to the Immigration and Naturalization Act. CBO's analyses indicated that the provisions of the bill legalizing certain unauthorized aliens currently residing in the United States could have sizable effects on state and local government public assistance. Additional state and local public assistance expenditures were estimated at over $200 million per year after fiscal year 1992.
- Cost estimates of H.R. 1650, Safe Drinking Water Act Amendments of 1985. CBO estimated that the amendments would result in state capital expenditures of $2.5 billion to $3.5 billion (in 1985 dollars) and operating costs of $200 million to $300 million annually (in 1985 dollars). Most of these costs are associated with

the filtration requirements in the bill and would begin several years after enactment of the bill.

Economic Forecasts

Each fiscal year, CBO provides the Congress with two economic forecast reports. They are issued to coincide with Congressional consideration of the concurrent resolutions on the budget.

CBO does not maintain its own macroeconomic model of the economy. Instead, we use the major commercially available econometric models (Data Resources, Inc., Wharton Associates, Townsend-Greenspan, and Ray Fair Economic Model). We also rely on the advice of a distinguished panel of advisers representing a wide spectrum of economic views. The panel is supplemented from time to time with guests possessing expertise in particular areas of interest. The panel meets twice a year in advance of the release of our forecasts. Appendix A to this statement lists the current members of the panel.

The reports issued in February and August of 1985 focused on recent economic developments, discussed fiscal and monetary policy, forecast short-term economic trends, and detailed the federal budget outlook under these economic assumptions. As has been previously mentioned, CBO will have to run continuously its models of the economy in the future as we monitor the economy on a frequent basis, thus conforming to the requirements of the Balanced Budget Act. With the growing internationalization of the U.S. economy, the task has become more complex, since it is even more important to monitor economic developments abroad as well as in the United States.

Tax Analysis

In 1985, Members of the Congress were provided with background analysis on important tax reform issues, such as the effects of major proposals on the oil and gas industries and the likely long-term revenue effects of the proposals. The CBO also supplied Members with many estimates of the effects of specific proposals on those taxpayers with incomes near or below the poverty level.

The CBO tracked the major tax revision proposals, by specific provision, regularly supplying committee staff with spread sheets comparing the major proposals in great detail. Throughout the process, CBO responded to a significant number of questions from Congressional staff on virtually every aspect of the tax reform legislation.

CBO also continued to provide to the Budget Committees a set of standardized tables showing considerable background detail on CBO's baseline revenues and estimates of recent tax legislation. The CBO received favorable comments about the usefulness of the tables from the Budget Committee staff members and will provide these tables each time CBO presents a new economic and budget baseline forecast.

CBO also provides several sets of five-year baseline revenue estimates based on alternative economic forecasts developed by the staffs of both Budget Committees. Most of these are done to aid the staffs in their preparation of the budget resolution.

Revenue scorekeeping reports, with bill-by-bill detail, are sent as needed to the staffs of the Ways and Means, Finance, and the Budget Committees. The reports provide five-year revenue effect estimates of each tax bill in the legislative process, and compare the cumulative revenue effects of enacted legislation with the targets set in the budget resolution. The revenue estimates shown in the reports are drawn from CBO cost estimate letters and are furnished to the tax-writing committees when each tax bill is reported. The Balanced Budget Act provides that these reports be made at least monthly, further increasing CBO's list of required services to the Congress.

In addition, CBO continued its close association with the Joint Committee on Taxation (JCT). The JCT remains responsible for providing the tax writing committees with revenue estimates of tax reform proposals. The CBO is responsible for providing budgetary revenue proposals, as well as revenue estimates in legislation other than tax proposals. The JCT bases its revenue estimates on CBO's economic assumptions as well.

The CBO staff also continued to provide estimates of the revenue effects of many alternative deficit reduction plans, a service that is becoming increasingly important to Members as they look for new ways to deal with the budget deficit.

The CBO has prepared and continues to maintain a detailed provision-by-provision comparison table of recent major reform proposals. The table includes current-law status by major provision, including the relevant section of the tax code, and the alternative treatment under all major recent proposals, including the House passed bill. CBO periodically supplies updates.

In addition, last year, CBO completed a major study looking at the history of the corporate income tax and possible alternatives and options for revision of the current system. As the Senate considers tax reform, we expect a particularly heavy volume of requests in the coming year.

Programmatic Analysis

The CBO's four analytic programmatic divisions--Human Resources, Natural Resources, National Security, and General Government--respond to requests from Congressional committees for analyses of issues and options that help the Congress anticipate the consequences of legislative proposals. Four types of products illustrate the range of efforts carried out by the program divisions:

- Formal and informal cost estimates and other budget analytic work directly analogous to, or in support of, the efforts of the Budget Analysis Division. Often this work involves developing simulation models to estimate the impacts of changes to technical parameters in legislation.
- Short-term policy analyses, often involving estimating the likely effects--other than costs--of proposed legislation. This covers a wide range of brief, but timely, informal statements that have proved most helpful to legislative committees.

- Testimony at Congressional hearings, which often follows from other work we have done.
- Longer-term analyses of broad issue areas, considering a full range of policy options. These projects typically result in published papers.

The principal responsibility of these divisions is to assist the committees of the Congress in considering current legislative issues. Over the years, CBO has responded to requests for analyses of key program issues from almost every committee of both Houses of Congress.

In fiscal year 1985, CBO completed 37 such reports. The reports were for 10 Congressional committees--four of the House, five of the Senate, and one joint Congressional committee. Appendix B of this statement includes a complete list of CBO projects in fiscal year 1985. Part I of the list shows the projects in progress. Part II lists the studies completed in fiscal year 1985. This list gives the CBO division responsible for the report, its title, a summary of its content, the rquesting Congressional committee or statutory authority and, when applicable, its completion date. In addition, a list showing the distribution of reports by House and Senate committees in fiscal year 1985 is also provided.

The subject areas of these reports have typically reflected the major budgetary issues before the Congress and the nation. Our program divisions have helped focus debate by organizing and presenting policy goals that are often scattered among different budget functions and tax provisions into a single analysis. In this way, the Congress can see more clearly whether its policies are having the intended effect.

Some recent studies of this type are: *Research and Development Funding in the Proposed Fiscal Year 1985 Budget*; *The Budget of the Environmental Protection Agency: An Overview of Selected Programs for Fiscal Year 1985*; *Federal Support for U.S. Business*; *Federal Financial Support for High Technology Industries*; and, *The Federal Budget for Public Works Infrastructure.*

In addition, this past spring, in conjunction with the Congressional Research Service, CBO completed a major study on poverty entitled *Reducing Poverty Among Children.* Our contribution included measuring poverty under alternative definitions and assessing more than 40 specific options for reducing the incidence of childhood poverty. Recently, this study proved most valuable to the Senate Children's Caucus where extensive hearings were conducted by Senators Dodd and Specter. Another report published this year, *Reducing Grades of the General Schedule Work Force*, provided an analysis of the effectiveness of federal job classification.

Much legislation with purposes not closely related to the federal budget nevertheless has important budgetary and economic consequences. Many committees have shown a strong interest in the analysis of the effects of such legislation, which often expands and complements information provided in a CBO cost estimate.

Recent published examples of such work by the CBO include: *Hazardous Waste Management: Recent Changes and Policy Alternatives*; *Promoting Employment and Maintaining Incomes with Unemployment Insurance*; *Future Budgetary Requirements for the 600-Ship Navy*; *Tactical Combat Forces of the United States Air Force: Issues and Alternatives*; and, *Curtailing Indirect Federal Subsidies to the U.S. Postal Service*.

Finally, in terms of direct support of the budgetary process by these divisions, there are studies that address the budgetary implications of changes in program emphasis or direction. Committee interest in such analyses is prompted by budgetary constraints and the perception that existing programs are inefficient and have outlived their original intent.

Recent CBO studies along these lines include: *Federal Support for R&D and Innovation*; *Pricing Options for the Space Shuttle*; *An Analysis of Selected Deficit Reduction Options Affecting the Elderly and Disabled*; *Veterans Administration Health Care: Planning for Future Years*; *Modifying Military Retirement: Alternative Approaches*; and *Options for Change in Military Medical Care*.

Based on current committee requests, the CBO expects to complete at least the same number of reports in fiscal year 1986 as in fiscal year 1985. We further assume that our level of activity in fiscal year 1987 will be similar to that in previous fiscal years.

Published reports are only the most obvious example of the analytic support provided to the Congress by these divisions. Regularly, short-term analysis in the form of unpublished papers, staff memoranda, and letters is provided to committee staffs. Because Congress has increasing need for updated and timely information in policy areas, CBO's programmatic divisions are doing more and more of the "quick turn-around" type of analysis.

In addition, CBO maintains a heavy agenda of testimony. We have testified on 32 separate occasions during the last fiscal year before a variety of Congressional committees. This testimony is often in connection with an ongoing or completed report, though we sometimes prepare new analyses for such appearances. Preparing testimony constitutes a significant portion of the workload of all of our divisions.

Finally, these divisions have developed a number of sophisticated analytic computer models of federal programs. The output from these models is provided to our Budget Analysis Division for use in their cost estimates, and our analysts frequently revise or improve existing BAD models. This expertise in the use of computers allows our programmatic analysis units to respond to requests that require sophisticated analytic treatment, such as simulating the effects of options on beneficiaries of federal programs. Similarly, these divisions have developed models, both for the Budget Committees and authorizing committees, that estimate the costs and revenues of specific programs. The models are used by the committees to respond to proposals made during the markup of legislation.

The requests and demands made of these units will not lessen under the Balanced Budget Act, but will increase. The Congress, in carrying out its policy objectives during these times of severe fiscal constraint, will be considering large numbers of new and innovative approaches to a myriad of programs. The CBO will be called on, and stands ready to assist, in the evaluation and analyses of all such proposals so that the Congress will be assured of having the best possible information on which to base its decisions. In addition, the Congress will continue to want and need to assess the programmatic and policy implications of the budget reductions. The CBO analytic programmatic divisions have the resources in place to make these important reassessments.

ORGANIZATION OF THE CBO

From time to time, questions arise about CBO's organizational structure, the functions of each unit, and the interrelationship among them. For management and administrative purposes, our staff is divided into seven divisions. While the main functions of each division are clearly defined, the work of each is highly dependent on that of the other, and I would like to take time today to share with you how this "crosswalk" works.

Three of our divisions--the Budget Analysis, Fiscal Analysis and Tax Analysis Divisions--support primarily the needs of the House and Senate Budget and Appropriations Committees for accessible, comprehensive and technical budget and economic information. The other four divisions--Natural Resources and Commerce, National Security, Human Resources and Community Development, and the General Government unit of the Office of

Intergovernmental Relations--provide key support, often early in the legislative process, to the budget and authorizing committees in analyzing various programmatic and policy options and their associated costs. To perform these tasks, each unit must collaborate with the other.

For example, the economic assumptions developed by the Fiscal Analysis Division serve as the basis for our cost estimating, projections, and issue analysis. The budget numbers developed by Budget Analysis often depend on methodological studies done in the program divisions. Finally, all numbers developed in connection with analytic studies are reviewed by the cost analysts in the Budget Analysis Division. This crosswalk among our divisions is absolutely essential to our ability to provide accurate cost estimates and comprehensive analyses of alternative legislative strategies.

The interdependence of our organization is best exemplified by the report, *Reducing the Deficit: Spending and Revenue Options.* (Incidentally, Mr. Chairman, over the years, Members of the Congress have told us that they find this to be one of the most useful documents we produce.) The study describes several broad strategies for reducing the federal deficit and analyzes numerous specific spending and tax options for implementing those strategies. For each option, outlay savings or revenue increases relative to CBO's baseline projections are presented. The Fiscal Analysis Division prepares the economic assumptions used in the report. The Budget Analysis Division prepares the baseline projections using these economic assumptions. The program divisions develop strategies and options. The cost analysts in Budget Analysis provide the savings estimates associated with each option. The Tax Analysis Division provides the analysis of revenue increases.

THE FISCAL YEAR 1987 REQUEST

As I previously indicated, the increment over the 1986 operating level reflects CBO's needs in three areas: personnel, automated data processing, and other support services.

Personnel

Mr. Chairman, as I said at the outset, we have come here today asking for 10 additional positions above our authorized level of 222 positions. Full funding of our authorized level would allow us to carry out, in the most efficient and professional manner, duties previously assigned to us by the Congress. All 10 of the additional positions we are seeking are attributable to the work assigned us by the Balanced Budget Act.

The bulk of the new positions--six--will be for the Budget Analysis Division. They comprise a principal analyst, an associate and an assistant analyst, and three cost analysts. Total cost for the positions (pay and benefits) in fiscal year 1987 is estimated at $238,000.

Balanced Budget Act requires that we do rigorous forecasting and systematic monitoring of economic activity on a continuous basis, rather than twice annually as we do now. To help accomplish this, we have asked for an additional senior analyst and additional associate analyst for the Fiscal Analysis Division at a cost of $89,000 in fiscal year 1987.

Before passage of the Balanced Budget Act, we were already anticipating the need for two more analysts in our Tax Analysis Division. The pressure our revenue estimating division was under during the compilation of the Sequestration Report only reaffirmed our need for increased resources here. We request two additional principal analysts at a total cost in fiscal year 1987 of $124,000.

Automated Data Processing

Computers continue to be essential to our operation. In fiscal year 1986, due to sequestration, CBO's budget was cut by $528,000 in this vital area. This action was necessary to avoid reducing our staff size. Steps taken included postponing enhancements to our projection and scorekeeping systems. We asked staff to run large jobs late at night or weekends to take advantage of cheaper computer rates. We moved a number of applications from mainframe computers to microcomputers to avoid timesharing costs. Although these applications take longer to process, we have saved money. We cancelled the online services of a major econometric service, Chase Econometrics, to save resources. We have also discontinued all contracting of program development.

Resources normally directed at improving and maintaining our computer applications have been used elsewhere instead. Although such systems' maintenance can be neglected for short periods of time, it cannot be done for extended periods.

The increase of $1,482,000 this year includes restoring our base for maintaining and enhancing our current applications. It is only $214,000 more than we requested last year. The Balanced Budget Act activities have resulted in significant growth in our computer data bases. We have had to add more detail to these data bases. This has resulted in increased processing costs not only for new reports, but for all existing reports. Therefore, when we produce projections and scorekeeping reports next year, it will cost more simply because we will have a larger volume of data to process.

For each staff person, there is a direct cost for equipment and performing analysis on mainframe computers. This year's increase allows for equipping any new staff members with the necessary resources.

We also expect our analysis to require greater use of micro data. There is a need for more detailed analysis as we produce numbers for the purpose of cutting existing activities. Such analysis consumes more computer resources. Also, in working with the Office of Management and Budget, we have a greater need to continually compare the estimates of the two organizations.

Finally, CBO was one of the leaders in using microcomputers on Capitol Hill. We began using this infant technology almost five years ago. We strive to keep our analytic staff as current as possible with both software and hardware. In many instances, this has helped us sustain the pace I mentioned earlier. We anticipate the need to upgrade further a number of our software packages in 1987 and to upgrade and replace some of our hardware.

Systems Data and Model Development

CBO programmatic studies are primarily based on data developed and collected by executive agencies. Often an extensive amount of work is needed to transform the data so that our staff can use it efficiently to address issues of interest to the Congress.

Data from the Survey of Income and Program Participation (SIPP) is an example, as is data to be released later this year by the Department of Labor about the extent to which the Job Training Partnership Act (JTPA) is aiding members of the target groups. In both cases, CBO is anxious to have file preparation and data manipulation, large complex jobs, done outside CBO so that staff can focus their efforts on the analysis of the data.

CBO also must update some models annually, such as its Defense Resources Model, which produces budget options for defense. The update accounts for changes in the base and different weapons systems.

The systems data and model development area of our budget absorbed the brunt of the cuts in fiscal year 1986. As with maintenance, costs in this area can be avoided for a period of time, but eventually must be made up or data will be out-of-date. The $240,000 increase requested in this area will raise the level of spending to $375,000, still well below the fiscal year 1985 actual base of $416,000.

Other Administrative Costs

The increase of $146,000--9 percent--in this category is attributable to higher-than-inflation rises in costs of telephone service, printing, and repair and maintenance of office equipment and computers. Other items in this category include travel, training, and office supplies and equipment.

CONCLUSION

Mr. Chairman, as I stated at the opening of this justification, I have tried to maintain a most prudent approach in budgeting as Director of CBO. We are currently operating at a level only slightly in excess of our fiscal year 1984 appropriation. This past year, however, we have been assigned a myriad of new duties by the Balanced Budget Act. In addition, the first priority of the Congress continues to be getting answers to questions about the impact of various programmatic and budgetary proposals. The CBO has been in the front lines throughout these discussions, trying to supply the Congress with the information it needs to serve the nation. Now, the CBO finds its resources extremely taxed. We hope that you will be able to grant us this increase. It will allow us to continue to provide the Congress with the kind of service it has come to expect. Thank you for your time and attention.

APPENDIX A. CBO PANEL OF ECONOMIC ADVISERS

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Barry P. Bosworth
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Dewey J. Daane
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Administration
University of Michigan

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Herbert Stein
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American Enterprise Institute

James Tobin
Sterling Professor of Economics
Yale University

Murray Weidenbaum
Director, Center for the Study
of American Business
Washington University

APPENDIX B. SUMMARY OF REQUESTED CBO REPORTS (October 1, 1984 to September 30, 1985)

Requester	Number of Reports
House Appropriations Committee	2
House Armed Services Committee	3
House Budget Committee	4
House Energy and Commerce Committee	1
House Merchant Marine and Fisheries	1
House Ways and Means Committee	5
Senate Appropriations Committee	3
Senate Armed Services Committee	5
Senate Budget Committee	4
Senate Commerce, Science, and Transportation Committee	1
Senate Energy and Natural Resources Committee	1
Senate Environment and Public Works Committee	1
Senate Finance Committee	3
Senate Labor and Human Resources Committee	1
Mandated by the Congressional Budget Act of 1974	4
TOTAL	39

CONGRESSIONAL BUDGET OFFICE REPORTS

PART I

ONGOING PROJECTS

TOPIC: BUDGET PROCEDURES	REQUESTER(S)	PROJECTED COMPLETION DATE
NATURAL RESOURCES AND COMMERCE DIVISION (340008)		
CAPITAL MANAGEMENT:ISSUES AND OPTIONS: REVIEWS ALTERNATIVE METHODS OF ALLOCATING FEDERAL CAPITAL DOLLARS AMONG COMPETING PROJECTS AND HOW SUCH METHODS MIGHT BE INCORPORATED INTO A FRAMEWORK OF CAPITAL BUDGETING.	HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE	JAN. 1986
BUDGET ANALYSIS DIVISION (330023)		
THE AGENCY STATUS SUBSIDY TO GOVERNMENT SPONSORED ENTERPRISES: THE CASE OF SALLIE MAE: THIS PAPER DESCRIBES THE CREDIT MARKET ACTIVITIES OF GOVERNMENT SPONSORED ENTERPRISES, IDENTIFIES AND ESTIMATES THE SUBSIDY PROVIDED TO THEM THROUGH AGENCY STATUS, AND CONSIDERS CURRENT AND ALTERNATIVE BUDGET TREATMENT OF THESE SUBSIDIES.	SENATE BUDGET COMMITTEE ! SENATE BANKING, HOUSING AND URBAN AFFAIRS COMMITTEE	DEC. 1985

TOPIC: BUDGET AND BUDGET PROJECTIONS	REQUESTER(S)	PROJECTED COMPLETION DATE
BUDGET ANALYSIS DIVISION (430006)		
AN ANALYSIS OF CONGRESSIONAL BUDGET ESTIMATES FOR FISCAL YEAR 1983: COMPARES ACTUAL REVENUES AND OUTLAYS FOR FISCAL YEAR 1983 WITH THE ASSUMPTIONS USED BY CONGRESS IN ITS BUDGET RESOLUTIONS AND ANALYZES THE DIFFERENCES.	MANDATED BY CONGRESSIONAL BUDGET ACT OF 1974	JAN. 1986
BUDGET ANALYSIS DIVISION (430008)		
AN ANALYSIS OF CONGRESSIONAL BUDGET ESTIMATES FOR FISCAL YEAR 1984: COMPARES ACTUAL REVENUES AND OUTLAYS FOR FISCAL YEAR 1984 WITH THE ASSUMPTIONS USED BY CONGRESS IN ITS BUDGET RESOLUTIONS AND ANALYZES THE DIFFERENCES.	MANDATED BY CONGRESSIONAL BUDGET ACT OF 1974	JAN. 1986
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (450016)		
IMPACT OF CERTAIN DEMOGRAPHIC CHANGES ON THE FEDERAL BUDGET: EXAMINES THE CHANGING FEDERAL LIVING ARRANGEMENTS OF THE ELDERLY AND THE IMPLICATIONS FOR FEDERAL POLICY.	HOUSE BUDGET COMMITTEE	SEP. 1985

TOPIC: DEFENSE	REQUESTER(S)	PROJECTED COMPLETION DATE
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (370037)		
DEPARTMENT OF THE NAVY TACTICAL AIR FORCES:ISSUES AND ALTERNATIVES: ANALYZES NAVAL AIRCRAFT REQUIREMENTS DERIVED FROM NAVY CARRIER AIR WING GOALS AD CARRIER FORCE COMPOSITION.EXAMINES NAVY WEAPON SYSTEMS PROCUREMENT PLANS AND ALTERNATIVES.	HOUSE BUDGET COMMITTEE	OCT. 1985
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (470009)		
SUBSTITUTING ARMY RESERVE GUARD UNITS FOR ACTIVE DUTY UNITS TO REDUCE COSTS: ANALYSIS OF ADVANTAGES AND DISADVANTAGES AND LIKELY CHANGES IN COSTS OF SUBSTITUTING RESERVE/GUARD FORCES FOR ACTIVE DUTY FORCES.	HOUSE ARMED SERVICES COMMITTEE	NOV. 1985
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (470048)		
QUALITY STANDARDS FOR RECRUITS IN THE ACTIVE-DUTY ARMY: WILL ANALYZE TRENDS IN SUPPLY OF AND REASONS FOR RECRUITING HIGH QUALITY, INCLUDING EFFECTS OF NEW WEAPONS SYSTEMS AND ARMY DEMAND FOR PERSONNEL IN DIFFERENT TYPES OF JOBS CRUITING RESOURCES NEEDED	HOUSE ARMED SERVICES COMMITTEE	DEC. 1985
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (570050)		
ELIMINATION OF DOUBLE TAX BREAKS IN HOUSING DEDUCTIONS FOR MILITARY HOMEOWNERS: ANALYSES OF THE POSSIBLE IMPACT OF THE ELIMINATION OF DOUBLE TAX BREAKS IN HOUSING ALLOWANCES ON MILITARY PERSONNEL AND DEFENSE BUDGET.	SENATE ARMED SERVICES COMMITTEE	NOV. 1985
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (570051)		
ALTERNATIVE APPROACHES TO MEASURING CURRENT NATO BURDENSHARING: A REVIEW OF DOD REPORTS ON BURDENSHARING, INCLUDING AN ANALYSIS OF NATO COUNTRIES, THE CONTRIBUTIONS OF ALLIES AND THE SPENDING PLANS OF ALLIES.	SENATE ARMED SERVICES COMMITTEE	DEC. 1985

TOPIC: DEFENSE (CONTINUED)	REQUESTER	PROJECTED COMPLETION DATE
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (570053)		
OVERVIEW OF OPERATION AND MAINTENANCE BUDGET ACCOUNTS: ANALYSIS OF WHAT WITHIN OPERATION AND MAINTENANCE ACCOUNTS REALLY CONTRIBUTES TO MILITARY READINESS AND WHETHER THE LEVELS AVAILABLE WITHIN THESE ACCOUNTS PROVIDE ADEQUATE FUNDING FOR READINESS.	SENATE BUDGET COMMITTEE	DEC. 1985
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (570056)		
MX TEST PROGRAM: AN ANALYSIS: AN ANALYSIS OF THE AIR FORCE PLAN FOR OPERATIONAL TESTING OF THE MX MISSLE, INCLUDING THE BASIS FOR PLANNED PROCUREMENT AND USE OF MX TEST ASSETS THE STATISTICAL UNDERPINNINGS OF THE PLANNED PROGRAM	SENATE ARMED SERVICES COMMITTEE	ONGOING: FINAL DATE NOT SET
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (570057)		
REVIEW OF DOD METHOD FOR BUDGETING FOR ANTICIPATED INFLATION: REVIEW ANALYZES CURRENT DOD METHOD OF PROJECTING AND BUDGETING FOR IN INFLATION AND POSSIBLE ALTERNATIVE WAYS PROCEDURES TO INSURE CONGRESS INCORPORATES ADJUSTMENTS IN TIMELY FASHION AND OTHER ISSUES.	SENATE ARMED SERVICES COMMITTEE : HOUSE ARMED SERVICES COMMITTEE	OCT. 1985
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (570058)		
OPERATIONAL TEST AND EVALUATION MISSILES FOR TRIDENT II SLMB PROGRAM: ANALYSIS OF BASIS FOR PLANNED PROCUREMENT AND EMPLOYMENT OF D-5 TEST ASSETS TO INCLUDE THE STATISTICAL UNDERPINNINGS OF PLANNED PROGRAM	SENATE APPROPRIATIONS COMMITTEE	ONGOING: FINAL DATE NOT SET
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (570059)		
COSTS AND BENEFITS OF D-5 MISSILE PROGRRAM AND OF ALTERNATIVE SLBM PROGRAMS: ANALYSIS OF COSTS AND BENEFITS OF D-5 SYSTEM, INCLUDING SAVINGS ASSOCIATED WITH ALTERNATIV CAPABILITIES LOST UNDER ALTERNATIVES.	HOUSE BUDGET COMMITTEE	ONGOING: FINAL DATE NOT SET

TOPIC: ECONOMY AND FISCAL POLICY	REQUESTER(S)	PROJECTED COMPLETION DATE
NATURAL RESOURCES AND COMMERCE DIVISION (540010)		
COMPOSITIONAL EFFECTS OF EXCHANGE RATES: A SECTORAL ANALYSIS: INVESTIGATE HOW THE DOLLAR S APPRECIATION HAS AFFECTED THE PERFORMANCE OF INDIVIDUAL MANUFACTURING INDUSTRIES.	SENATE BUDGET COMMITTEE	NOV. 1985
NATURAL RESOURCES AND COMMERCE DIVISION (540011)		
THE EFFECTS OF TRADE PROTECTION ON MARKET PERFORMANCE: THE STUDY EXAMINES FACTORS THAT LED TO THE IMPOSITION OF TRADE RESTRAINTS IN PARTICULAR INDUSTRIES AND THEIR AFFECT ON MARKET PERFORMANCE. IT CONSIDERS CRITERIA UNDER WHICH TRADE PROTECTION MAY BE DESIRABLE AND POSSIBLE DEFINITIONS OF SUCCESSFUL INTERVENTION.	HOUSE WAYS AND MEANS COMMITTEE	JAN. 1986
TOPIC: EDUCATION		
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (250027)		
PATTERNS OF FEDERAL ASSISTANCE FOR POSTSECONDARY EDUCATION: ANALYSIS OF FEDERAL FUNDING FOR HIGHER EDUCATION INCLUDING STUDENT AID AND RESEARCH AND DEVELOPMENT FUNDING.	SENATE LABOR AND HUMAN RESOURCES COMMITTEE	DEC. 1985
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (350020)		
THE FEDERAL ROLE IN ELEMENTARY AND SECONDARY EDUCATION:ISSUES AND OPTIONS: ANALYSIS OF ISSUES RELEVANT TO FEDERAL SUPPORT OF PUBLIC ELEMENTARY AND SECONDARY EDUCATION.	SENATE LABOR AND HUMAN RESOURCES COMMITTEE	DEC. 1985

TOPIC: ENERGY	REQUESTER(S)	PROJECTED COMPLETION DATE
NATURAL RESOURCES AND COMMERCE DIVISION (440025)		
THE FEDERAL ROLE IN UTILITY BANKRUPTCIES: EXAMINES THE PROSPECTS FOR UTILITY BANKRUPTCIES IN THE NEAR FUTURE AND DISCUSSES THE IMPLICATIONS OF ALTERNATIVE FEDERAL ROLES IN EITHER ASSIGNING OR ABSORBING THE COSTS OF UTILITY FINANCING FAILURE AMONG RATE PAYERS, STOCKHOLDERS AND TAXPAYERS.	SENATE ENERGY AND NATURAL RESOURCES COMMITTEE	DEC. 1985
TOPIC: ENVIRONMENT AND NATURAL RESOURCES		
NATURAL RESOURCES AND COMMERCE DIVISION (440004)		
ANALYSIS OF FEDERAL APPROACHES FOR ALLOCATING ACID RAIN CLEAN-UP COSTS EMISSION:ENERGY FEES,EMISSION TAXES AND POLLUTOR COSTS: ANALYSIS OF THE FOLLOWING THREE GENERIC APPROACHES FOR CURBING SO2 EMISSION: ENERGY FEES, EMISSION TAXES AND POLLUTOR COSTS.	HOUSE BUDGET COMMITTEE : SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE	DEC. 1985
NATURAL RESOURCES AND COMMERCE DIVISION (540014)		
STUDY OF THE OUTER CONTINENTAL SHELF LEASING PROGRAM: EVALUATES PROPOSALS DESIGNED TO REDUCE CONFLICTS BETWEEN STATE AND FEDERAL GOVERNMENTS OVER OFFSHORE MINERAL LEASING ACTIVITIES WITH REGARD TO THE COASTAL ZONE MANAGEMENT ACT, AUTHORIZATION OF WHICH EXPIRES THIS YEAR.	HOUSE MERCHANT MARINE & FISHERIES COMMITTEE	FEB. 1986
TOPIC: FEDERAL WORK FORCE AND GOVERNMENT ADMINISTRATION		
OFFICE OF INTERGOVERNMENTAL RELATIONS--GENERAL GOVERNMENT MANAGEMENT (560001)		
TURNOVER IN THE FEDERAL GOVERNMENT: ANALYSIS OF THE NATURE AND EXTENT OF TURNOVER AMONG FEDERAL CIVILIAN EMPLOYEES.	HOUSE BUDGET COMMITTEE	DEC. 15, 1985

TOPIC: GENERAL SCIENCES, SPACE, TECHNOLOGY	REQUESTER(S)	PROJECTED COMPLETION DATE
NATURAL RESOURCES AND COMMERCE DIVISION (540015)		
ANALYSIS OF FEDERAL POLICY AS IT AFFECTS COMMERCIAL DEVELOPMENT OF SPACE: ANANALYSIS OF POSSIBLE FEDERAL POLICIES AFFECTING THE COMMERCIAL DEVELOPMENT OF SPACE, INCLUDING ANALYSES OF COMMUNICATIONS, REMOTE SENSING AND MATERIALS PROCESSING ACTIVITIES, AS WELL AS THE PHYSICAL INFRASTRUCTURE AND TRANSPORTATION SERVICES NEEDED.	SENATE COMMERCE,SCIENCE AND TRANSPORTATION COMMITTEE	APR. 1986
TOPIC: HEALTH		
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (250031)		
FINANCING UNCOMPENSATED HOSPITAL CARE: EXAMINES THE EXTENT TO WHICH HOSPITAL CARE ISN'T DIRECTLY REIMBURSED BECAUSE PATIENTS HAVE NO HEALTH INSURANCE.ADEQUACY OF CURRENT METHODS OF FINANCING THIS CARE ARE ANALYZED AND OPTIONS EVALUATED.	HOUSE WAYS AND MEANS COMMITTEE	DEC. 1985
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (350021)		
ISSUES IN MEDICARE'S SYSTEM OF PROSPECTIVE PAYMENTS TO HOSPITALS: ANALYSIS OF SEVERAL ISSUES IN HOSPITAL PROSPECTIVE PAYMENT:EFFECTS ON VARIOUS TYPES OF HOSPITALS, CAPITAL REIMBURSEMENT AND PAYMENT FOR MEDICAL EDUCATION.	HOUSE ENERGY AND COMMERCE COMMITTEE	DEC. 1986
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (450001)		
ANALYSIS OF STATE HOSPITAL COST CONTROL SYSTEMS: ANALYSIS OF EFFECTIVENESS OF STATE COST CONTROL PORGRAMS AND ISSUES RELATED TO MEDICARE WAIVERS.	SENATE BUDGET COMMITTEE	DEC. 1985

TOPIC: HEALTH (CONTINUED)	REQUESTER	PROJECTED COMPLETION DATE
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (450011)		
PHYSICIAN REIMBURSEMENT UNDER MEDICARE: MODIFYING THE WAY MEDICARE REIMBURSES PHYSICIANS.	SENATE BUDGET COMMITTEE	JAN. 1986
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (450017)		
FINANCING LONG-TERM CARE: THE STUDY WILL INCLUDE AN IN-DEPTH ANALYSIS OF HEALTH CARE FINANCING ISSUES AND OPTIONS IN LONG-TERM CARE FOR THE CHRONICALLY ILL AND DISABLED.	HOUSE BUDGET COMMITTEE	JAN. 1986
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (550023)		
ANALYSIS OF THE PROPOSAL TO PHASE OUT THE PASS-THROUGH OF CAPITAL COSTS UNDER MEDICARE: EXAMINES THE BUDGETARY EFFECTS OF PHASING OUT THE PASS-THROUGH ELEMENT OF CAPITAL COSTS UNDER MEDICARE'S PROSPECTIVE PAYMENT SYSTEM.	SENATE FINANCE COMMITTEE : HOUSE ENERGY AND COMMERCE COMMITTEE	ONGOING: FINAL DATE NOT SET
TOPIC: HOUSING		
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (450020)		
FEDERAL HOUSING ASSISTANCE: ELIGIBILITY CRITERIA FOR RECIPIENT HOUSEHOLDS: ANALYZING FEDERAL HOUSING ASSISTANCE PROGRAMS, EMPHASIZING A COMPARISON OF CURRENT RECIPIENTS WITH THE ELIGIBLE POPULATION.	HOUSE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE	MAR. 1986

TOPIC: INCOME ASSISTANCE	REQUESTER(S)	PROJECTED COMPLETION DATE
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (250019)		
WORK AND THE WELFARE POPULATION:ISSUES AND OPTIONS: PAPER DESCRIBES WHAT IS KNOWN ABOUT DEPENDENCE AND EMPLOYMENT EXPERIENCE OF THE WELFARE POPULATION,DISCUSSES THE POLICY ISSUES,EVALUATES PAST AND PRESENT EFFORTS AND ANALLYZES SEVERAL OPTIONS FOR REDUCING DEPENDENCE ON AFDC AND FOOD STAMPS.	SENATE BUDGET COMMITTEE ; SENATE AGRICULTURE ,NUTRITION AND FORESTRY COMMITTEE	APR. 1986
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (350010)		
EARNINGS SHARING OPTIONS FOR RESTRUCTURING THE SOCIAL SECURITY SYSTEM: REPORT IS MANDATED BY THE SOCAL SECURITY AMENDMENTS OF 1983 AND INCLUDES AN EVALUATION OF THE REPORT OF THE SECRETARY OF HHS ON THE SAME SUBJECT.	HOUSE WAYS AND MEANS COMMITTEE ; SENATE FINANCE COMMITTEE	DEC. 1985
TOPIC: INTERNATIONAL ECONOMIC RELATIONS		
NATURAL RESOURCES AND COMMERCE DIVISION (540012)		
THE EFFECT OF VOLUNTARY RESTRAINT AGREEMENTS ON THE STEEL MARKET: THE STUDY WILL MONITOR EFFECTS OF THE PRESIDENT S STEEL PROGRAM ON THE STEEL INDUSTRY AND THE ECONOMY AS A WHOLE.	HOUSE WAYS AND MEANS COMMITTEE	FEB. 1986
TOPIC: STATE AND LOCAL GOVERNMENT		
NATURAL RESOURCES AND COMMERCE DIVISION (340016)		
THE BOND MARKET FOR MUNICIPAL WATER SUPPLY SYSTEMS: ANALYSIS OF THE STRUCTURE OF THE BOND MARKET FOR MUNICIPAL WATER SUPPLY FINANCING AND THE EXTENT TO WHICH FEDERAL ASSISTANCE MAY BE WARRANTED.	SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE	JAN. 1986

TOPIC: TAX EXPENDITURES	REQUESTER(S)	PROJECTED COMPLETION DATE
TAX ANALYSIS DIVISION (310004) TAX POLICIES FOR PENSIONS AND RETIREMENT SAVINGS: EXAMINES HOW CURRENT TAX POLICY MIX PROVIDES FOR RETIREMENT INCOME AND SAVING. ALTERNATIVE MIXES ARE CONSIDERED AS WELL AS RELATIONSHIP TO SOCIAL SECURITY AND INFLATION PROTECTION FOR BENEFITS.	SENATE FINANCE COMMITTEE	DEC. 1985
TAX ANALYSIS DIVISION (410003) STUDENT LOAN BONDS: STUDY OF TAX-EXEMPT BONDS, ISSUED UNDER GUARANTEED STUDENT LOAN AND PLUS PROGRAMS, AND ARBITRAGE RULES FOR SUCH BONDS. MANDATED BY SECTION 625(A) OF THE TAX REFORM ACT OF 1984.	SENATE FINANCE COMMITTEE ; SENATE LABOR AND HUMAN RESOURCES COMMITTEE ; HOUSE WAYS AND MEANS EDUCATION AND LABOR COMMITTEE	DEC. 1985
TAX ANALYSIS DIVISION (510025) ANALYSIS OF THE ADMINISTRATION'S TAX PROPOSAL ON THE COAL INDUSTRY: ANALYSIS ASSESSES THE EFFECTS OF THE ELIMINATION OF THE DEPLETION ALLOWANCE, THE IMPOSITION OF A MINIMUM TAX IN RELATION TO THE EXPENSING OF INTANGIBLE DEVELOPMENT COSTS, REPEAL OF INVESTMENT TAX CREDIT, CHANGING OF ACRS SYSTEM, AND OTHER PROVISIONS.	SENATE ENERGY AND NATURAL RESOURCES COMMITTEE	DEC. 1985

TOPIC: TAX RECEIPTS AND DISTRIBUTION	REQUESTER(S)	PROJECTED COMPLETION DATE
TAX ANALYSIS DIVISION (410002)		
CBO'S CORPORATE TAX REVENUE ESTIMATING PROCEDURE: EXPLANATION OF CBO'S CORPORATE TAX REVENUE ESTIMATING MODELS AND TECHNIQUES.	MANDATED BY CONGRESSIONAL BUDGET ACT OF 1974	DEC. 1985
TAX ANALYSIS DIVISION (510023)		
ANALYSIS OF THE EFFECTS OF THE 1981 MARGINAL INCOME TAX RATE REDUCTION: ANALYZES THE EFFECTS THE 1981 MARGINAL INCOME TAX RATE REDUCTIONS HAD ON INCOME TAX PAYMENTS BY INCOME GROUP, ON THE INCOME TAX BURDEN, AND INCLUDES DATA FROM 1982 AND 1983. END]	MANDATED BY CONGRESSIONAL BUDGET ACT OF 1974	DEC. 1985
TOPIC: TRANSPORTATION		
NATURAL RESOURCES AND COMMERCE DIVISION (340012)		
THE ECONOMIC POTENTIAL OF TOLL ROADS: AN ANALYSIS OF THE ECONOMIC POTENTIAL FOR TOLL ROADS IN HELPING TO MEET THE NEEDS OF THE NATION'S HIGHWAY SYSTEM.	SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE	NOV. 1985
NATURAL RESOURCES AND COMMERCE DIVISION (440027)		
TRANSFERRING CONRAIL TO THE PRIVATE SECTOR: ECONOMIC AND BUDGETARY ISSUES: THE PAPER WILL ANALYZE THE ECONOMIC AND BUDGETARY ISSUES SURROUNDING THE SALE OF CONRAIL.	HOUSE ENERGY AND COMMERCE COMMITTEE	JAN. 1986

CONGRESSIONAL BUDGET OFFICE REPORTS

Special Part II

Projects completed between October 1, 1984 and September 30, 1985

TOPIC: AGRICULTURE	REQUESTER(S)	COMPLETION DATE
NATURAL RESOURCES AND COMMERCE DIVISION (440014)		
CANADA'S WESTERN GRAIN STABILIZATION PROGRAM:A POLICY OPTION FOR U.S. CROP PRODUCERS: THIS PAPER EXAMINES CANADA'S WESTERN GRAIN STABILIZATION PROGRAM AS AN OPTION FOR U.S. CROP FARMERS. IT DESCRIBES AND EVALUATES THE CANADIAN PROGRAM AND ASSESSES ITS APPLICABILITY IN THE U.S.	SENATE AGRICULTURE NUTRITION AND FORESTRY COMMITTEE	NOV. 5, 1984 PUBLISHED
NATURAL RESOURCES AND COMMERCE DIVISION (440020)		
ANALYSIS OF THE DISTRIBUTIONAL EFFECTS OF FARM PRICE SUPPORT POLICIES: AN ANALYSIS OF CENSUS DATA AS IT PERTAINS TO THE DISTRIBUTION OF FARM PROGRAMS AMONG CLASSES OF FARMS.	SENATE BUDGET COMMITTEE	APR. 30, 1985 PUBLISHED

TOPIC: BUDGET PROCEDURES	REQUESTER(S)	COMPLETION DATE
BUDGET ANALYSIS DIVISION (330024)		
THE BUDGETARY STATUS OF THE FEDERAL RESERVE SYSTEM: REVIEWS BUDGETARY STATUS OF THE FRS,CONSIDERS OPTIONS FOR CHANGING IT AND REVIEWS POTENTIAL BUDGET SAVINGS FROM MOVING FRS ON-BUDGET.	JOINT ECONOMIC COMMITTEE	JAN. 29, 1985 PROVIDED TO REQUESTER: UNPUBLISHED

TOPIC: BUDGET AND BUDGET PROJECTIONS	REQUESTER(S)	COMPLETION DATE
BUDGET ANALYSIS DIVISION (430020)		
FORMULA APPROACHES TO BUDGETING: A STUDY OF THE ADMINISTRATIVE FEASIBILITY AND POTENTIAL IMPACT OF APPLYING ALTERNATIVE FORMULA APPROACHES TO THE ENTIRE FEDERAL BUDGET.	JOINT ECONOMIC COMMITTEE	JAN. 14, 1985 PROVIDED TO REQUESTER: UNPUBLISHED
BUDGET ANALYSIS DIVISION (530022)		
THE BUDGETARY IMPLICATIONS OF INDEX BONDS: THIS STUDY ADDRESSES THE BUDGET IMPLICATIONS OF HYPOTHETICAL TREASURY BONDS LINKED TO AN INFLATION INDEX. IT DESCRIBES THE WAYS IN WHICH IT IS ARGUED THAT INDEX BONDS COULD REDUCE INTEREST COSTS. IT CONCLUDES THAT WHILE BUDGET SAVINGS MAY RESULT, THESE SAVINGS ARE IMPOSSIBLE TO FORECAST.	SENATE BUDGET COMMITTEE	JAN. 22, 1985 PROVIDED TO REQUESTER: UNPUBLISHED
OFFICE OF THE DIRECTOR (580021)		
REDUCING THE DEFICIT: SPENDING AND REVENUE OPTIONS: PART II OF CBO'S ANNUAL REPORT TO THE SENATE AND HOUCE COMMITTEES ON THE BUDGET DESCRIBING POLICY OPTIONS IN BOTH SPENDING AND REVENUE AREAS FOR SLOWING GROWTH OF THE FEDERAL BUDGET DEFICIT.	MANDATED BY CONGRESSIONAL BUDGET ACT OF 1974	JAN. 23, 1985 PUBLISHED
BUDGET ANALYSIS DIVISION (530021)		
AN ANLYSIS OF THE PRESIDENT'S BUDGETARY PROPOSALS FOR FISCAL YEAR 1986: DISCUSSES THE PRESIDENT'S POLICY PROPOSALS IN TERMS OF CHANGES FROM CBO BASELINE BUDGET PROJECTIONS FOR 1986-90. INCLUDES ESTIMATES OF THE BUDGETARY IMPACT OF ADMINISTRATION'S PROPOSALS USING CBO'S ECONOMIC ASSUMPTIONS AND TECHNICAL ESTIMATING METHODS.	SENATE APPROPRIATIONS COMMITTEE	JAN. 25, 1985 PUBLISHED

TOPIC: DEFENSE	REQUESTER(S)	COMPLETION DATE
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (470011)		
MILITARY HOUSING ALLOWANCES: ALTERNATIVES FOR CHANGE: REVIEW THE OVERALL COSTS AND DISTRIBUTIONAL EFFECTS OF MILITARY HOUSING ALLOWANCES, PARTICULARLY THE VARIABLE HOUSING ALLOWANCE PROGRAM, OF THE CURRENT LEGISLATIVE PROPOSAL AS WELL AS OTHER POSSIBLE ALTERNATIVES.	SENATE APPROPRIATIONS COMMITTEE	OCT. 15, 1984 PROVIDED TO REQUESTER: UNPUBLISHED
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (470001)		
AIR FORCE TACTICAL FORCES:BUDGETARY IMPLICATIONS OF ALTERNATIVE APPROACHES: EXAMINES BOTH THE NUMBERS OF AR WINGS THAT CAN BE SUPPORTED BY CURRENT INVESTMENT AND MANPOWER PLANS AND THE PROJECTED OPERATING AND SUPPORT COSTS OF PROPOSED FORCES. INCLUDES A STUDY OF ALTERNATIVE PROGRAMS.	SENATE APPROPRIATIONS COMMITTEE : SUBCOMMITTEE ON DEFENSE	APR. 17, 1985 PUBLISHED
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (570054)		
DEFENSE SPENDING: WHAT HAS BEEN ACCOMPLISHED: SUMMARY REVIEW OF WHAT HAS BEEN ACCOMPLISHED IN NATIONAL DEFENSE DURING THE LAST 5 YEARS, INCLUDING OVERALL BUDGET TRENDS, TRENDS BY ACCOUNT, HIGHLIGHTS OF DOD PROGRAMS, MAJOR WEAPONS SYSTEMS PROCURED AND THEIR COSTS, AND WHAT REMAINS TO BE DONE.	SENATE BUDGET COMMITTEE	APR. 23, 1985 PROVIDED TO REQUESTER: UNPUBLISHED
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (570055)		
ALTERNATIVES FOR THE ANNUAL MILITARY PAY RAISE: ANALYSIS OF ALTERNATIVE APPROACHES TO THE ADMINISTRATION S REQUEST FOR A 3 PERCENT MILITARY PAY RAISE IN JULY 1985, INCLUDING DEFERRING THE RAISE UNTIL JANUARY, ELIMINATING THE RAISE AND SELECTIVELY RAISING PAY.	HOUSE ARMED SERVICES COMMITTEE	MAY 1985 PROVIDED TO REQUESTER: UNPUBLISHED
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (470050)		
MILITARY SURVIVOR BENEFITS: ANALYSIS OF PROPOSED CHANGES: ANALYSES OF SURVIVOR BENEFITS PLAN, THE DOD SUPPLEMENTAL PENSION PROGRAM, AND OTHER PROGRAMS AS APPROPRIATE. WILL CONCLUDE COMPARISONS OF OUTLAY IMPACTS, ACCRUAL IMPACTS AND MEMBER/GOVERNMENT COST-SHARING RATIOS.	HOUSE ARMED SERVICES COMMITTEE : SENATE ARMED SERVICES COMMITTEE	JULY 1985 PROVIDED TO REQUESTER: UNPUBLISHED

TOPIC: DEFENSE (CONTINUED)	REQUESTER(S)	COMPLETION DATE
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (570052)		
INFLATION SAVINGS IN U.S. AIR FORCE AIRCRAFT PROGRAMS GENERATED BY ECONOMIC PRICE ADJUSTMENT CLAUSES: WILL IDENTIFY MAJOR AIR FORCE AIRCRAFT SYSTEMS PRODUCTION CONTRACTS USING EPA CLAUSES, IDENTIFY AMOUNTS BUDGETED FOR EPA FOR 1986 AND PRIOR YEARS, AND ESTIMATE AMOUNT OF EPA ADJUSTMENT USING BL AND OTHER INDEXES.	HOUSE APPROPRIATIONS COMMITTEE	AUG. 1985 PROVIDED TO REQUESTER: UNPUBLISHED
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (370040)		
ACHIEVING AND SUSTAINING A 600 - SHIP NAVY:COSTS AND ALTERNATIVES: ESTIMATES RESOURCES NEEDED TO SUSTAIN 600-SHIP NAVY,WITH PARTICULAR ATTENTION TO OPERATING AD SUPPORT COSTS.EXAMINES ADMINISTRATION PLANS AS WELL AS ALTERNATIVES THAT ARE MORE CONSTRAINED BY BUDGET RESOURCES.	HOUSE BUDGET COMMITTEE	AUG. 26, 1985 PUBLISHED
NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION (470051)		
AERIAL TANKER ISSUES: ANALYSIS OF AERIAL REFUELING TANKERS, INCLUDING A DISCUSSION OF JT-30 AND CFM-56 REENGINING PROGRAMS FOR AIR FORCE KC-135 TANKERS AND ANALYSES OF ALTERNATIVE APPROACHES TO MEETING AIR FORCE REQUIREMENTS FOR AERIAL REFUELING TANKERS.	HOUSE APPROPRIATIONS COMMITTEE	SEP. 16, 1985 PUBLISHED
TOPIC: ECONOMY AND FISCAL POLICY		
FISCAL ANALYSIS DIVISION (520021)		
THE ECONOMIC AND BUDGET OUTLOOK: FISCAL YEARS 1986-1990: PART I OF TWO VOLUME ANNUAL REPORT TO THE SENATE AND HOUSE COMMITTEES ON THE BUDGET. INCLUDED IN THIS VOLUME IS CBO'S ECONOMIC FORECAST AND ITS BASELINE BUDGET PROJECTIONS.	MANDATED BY CONGRESSIONAL BUDGET ACT OF 1974	JAN. 23, 1985 PUBLISHED
FISCAL ANALYSIS DIVISION (520001)		
THE ECONOMIC AND BUDGET OUTLOOK: AN UPDATE: CBO'S MID-YEAR UPDATE OF ITS ECONOMIC AND BUDGETARY ASSUMPTIONS.	MANDATED BY CONGRESSIONAL BUDGET ACT OF 1974	AUG. 13, 1985 PUBLISHED

TOPIC: ENVIRONMENT AND NATURAL RESOURCES	REQUESTER(S)	COMPLETION DATE
NATURAL RESOURCES AND COMMERCE DIVISION (240015)		
ENVIRONMENTAL REGULATION AND ECONOMIC EFFICIENCY: ANALYSIS OF THE BURDEN PLACED ON THE ECONOMY BY AIR, WATER AND TOXIC WASTE REGULATIONS. COMPARISON OF THIS BURDEN TO THAT BORNE BY INDUSTRIAL COMPETITORS IN EUROPE AND JAPAN.	SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE	MAR. 8, 1985 PUBLISHED
NATURAL RESOURCES AND COMMERCE DIVISION (340019)		
HAZARDOUS WASTE MANAGEMENT: RECENT CHANGES AND POLICY ALTERNATIVES: ALTERNATIVES TO THE RESOURCES CONSERVATION & RECOVERY ACT ARE EXAMINED IN TERMS OF THEIR ABILITY TO REDUCE PRODUCTION OF HAZARDOUS WASTES,PROVISION OF ADEQUATE TREATMENT AND DISPOSAL,ADMINISTRATIVE,SCIENTIFIC AND ADMINISTRATIVE RULES AND COSTS TO GOVERNMENT AND INDUSTRY.	SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE	MAY 6, 1985 PUBLISHED
NATURAL RESOURCES AND COMMERCE DIVISION (440003)		
CLEAN WATER AND EFFICIENT INVESTMENTS: OPTIONS FOR FINANCING WASTEWATER TREATMENT: EXAMINES STATISTICAL AND CAUSAL RELATIONSHIPS BETWEEN THE LOCAL COST SHARE AND INVESTMENT EFFICIENCY OF WASTEWATER TREATMENT PLANTS.	SENATE BUDGET COMMITTEE	JUNE 27, 1985 PUBLISHED
NATURAL RESOURCES AND COMMERCE DIVISION (540017)		
HAZARDOUS WASTE GENERATION, MANAGEMENT, AND EXPECTED WASTE-END TAX REVENUE FOR WASTE UNDER THE RESOURCE CONSERVATION AND RECOVERY ACT: ADDITIONAL ANALYSIS AUGMENTING RECENTLY COMPLETED CBO STUDY, "HAZARDOUS WASTE MANAGEMENT: RECENT CHANGES AND POLICY ALTERNATIVES."	HOUSE WAYS AND MEANS COMMITTEE	AUG. 1985 PROVIDED TO REQUESTER: UNPUBLISHED

TOPIC: ENVIRONMENT AND NATURAL RESOURCES (CONTINUED)	REQUESTER(S)	COMPLETION DATE
NATURAL RESOURCES AND COMMERCE DIVISION (540016)		
ANALYSIS OF PROPOSED CHANGES TO COUNTERVAILING DUTY LAW: REVIEWS HR 2451 THAT WOULD CHANGE U.S. COUTERVAILING DUTY LAW WITH RESPECT TO THE DEFINITION OF NATURAL RESOURCE SUBSIDIES, INCLUDING ANALYSIS OF THE ECONOMIC EFFECTS OF SUCH CHANGES ON EMPLOYMENT, FARM INCOME, OTHER INDUSTRIES AND ON GROSS NATIONAL PRODUCT.	HOUSE WAYS AND MEANS COMMITTEE	SEP. 17, 1985 PROVIDED TO REQUESTER: UNPUBLISHED
TOPIC: GENERAL SCIENCES, SPACE, TECHNOLOGY		
NATURAL RESOURCES AND COMMERCE DIVISION (340018)		
ANALYSIS OF SPACE SHUTTLE PROGRAM: ANALYSIS OF THE FINANCIAL ASPECTS OF THE PRESENT SPACE SHUTTLE PROGRAM IN CONJUNCTION WITH THE DEVELOPMENT OF VARIOUS PRICING AND MANAGEMENT OPTIONS.	SENATE BUDGET COMMITTEE	FEB. 20, 1985 PUBLISHED
NATURAL RESOURCES AND COMMERCE DIVISION (440010)		
FEDERAL FINANCIAL SUPPORT FOR HIGH-TECHNOLOGY INDUSTRIES: EFFECTS OF CHANGES IN TAX AND TRADE POLICIES ON HIGH TECHNOLOGY INDUSTRIES.	SENATE BUDGET COMMITTEE	JUNE 21, 1985 PUBLISHED

TOPIC: INCOME ASSISTANCE	REQUESTER(S)	COMPLETION DATE
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (550021)		
EFFECTS OF CURTAILING COST-OF-LIVING ADJUSTMENTSS IN SELECTED FEDERAL BENEFIT PROGRAMS: ANALYZES THE EFFECTS OF REDUCING OR TEMPORARILY FORGOING COST-OF-LIVING ADJUSTMENTS IN FEDERAL CASH TRANSFER PROGRMAS ON RECIPIENTS.	HOUSE BUDGET COMMITTEE	FEB. 15, 1985 PROVIDED TO REQUESTER: UNPUBLISHED
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (550024)		
AN ANALYSIS OF SELECTED DEFICIT REDUCTION OPTIONS AFFECTING THE ELDERLY AND DISABLED: PAPER EXAMINES 16 SPECIFIC OPTIONS FOR CURTAILING GROWTH IN PROGRAMS THAT PROVIDE CASH BENEFITS TO RETIRED AND DISABLED PEOPLE OR HELP PAY THEIR HEALTH CARE COSTS.	HOUSE BUDGET COMMITTEE	MAR. 1985 PROVIDED TO REQUESTER: UNPUBLISHED
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (350009)		
PROMOTING EMPLOYMENT AND MAINTAINING INCOMES WITH UNEMPLOYMENT INSURANCE: ANALYSIS OF WHO RECIEVES UI BENEFITS AND WHO PAYS TAXES: ANALYSIS OF OPTIONS FOR CHANGE IN THE UI SYSTEM.	SENATE BUDGET COMMITTEE	MAR. 6, 1985 PUBLISHED
HUMAN RESOURCES AND COMMUNITY DEVELOPMENT DIVISION (450018)		
REDUCING POVERTY AMONG CHILDREN: EXAMINATION OF MEASUREMENT AND CAUSES OF POVERTY AMONG CHILDREN AND THEIR FAMILIES AND ANALYSIS OF THE IMPACT AND COSTS OF POLICIES TO COMBAT THAT POVERTY.	HOUSE WAYS AND MEANS COMMITTEE	MAY 20, 1985 PUBLISHED

TOPIC: INTERNATIONAL ECONOMIC RELATIONS	REQUESTER(S)	COMPLETION DATE
NATURAL RESOURCES AND COMMERCE DIVISION (540013)		
THE EFFECTS OF TARGETED IMPORT SURCHARGES: A VARIETY OF PROPOSALS HAVE RECENTLY BEEN MADE TO IMPOSE SURCHARGES ON IMPORTS FROM SELECTED U.S. TRADING PARTNERS. THIS REPORT CONCERNS THE ECONOMIC EFFECTS OF SUCH TARGETED SURCHARGES	SENATE FINANCE COMMITTEE	AUG. 19, 1985 PROVIDED TO REQUESTER: UNPUBLISHED
NATURAL RESOURCES AND COMMERCE DIVISION (540018)		
ANALYSIS OF THE MACRO-ECONOMIC EFFECTS OF THE TEXTILE TRADE ACT: ANALYZES THE MACRO-ECONOMIC EFFECTS OF THE IMPOSITION OF IMPORT QUOTAS FOR TEXTILE AND APPAREL PRODUCTS.	HOUSE WAYS AND MEANS COMMITTEE	SEP. 24, 1985 PROVIDED TO REQUESTER: UNPUBLISHED
TOPIC: TAX RECEIPTS AND DISTRIBUTION		
TAX ANALYSIS DIVISION (410001)		
ANALYSIS OF S1421 AND S2600 -- TAX REFORM MEASURES: A REVIEW OF THE BRADLEY-GEPHARDT AND KEMP-KASTEN TAX PROPOSALS.	SENATE BUDGET COMMITTEE	OCT. 10, 1984 PROVIDED TO REQUESTER: UNPUBLISHED
TAX ANALYSIS DIVISION (310011)		
REVISING THE CORPORATE INCOME TAX: STUDY OF THE CORPORATION INCOME TAX COVERING THE HISTORICAL RATIONALE FOR THE TAX,ASSESSMENT OF THE EFFECTS OF THE TAX ON RESOURCE ALLOCATION IN THE CORPORATE SECTOR AND ON CAPITAL FORMATION AND CONSIDERATION OF POSSIBLE CHANGES IN THE STRUCTURE OF THE TAX.	HOUSE BUDGET COMMITTEE	APR. 24, 1985 PUBLISHED

TOPIC: TAX RECEIPTS AND DISTRIBUTION (CONTINUED)	REQUESTER(S)	COMPLETION DATE
TAX ANALYSIS DIVISION (510021)		
ON TAXING SOCIAL SECURITY BENEFITS: EXAMINES ALTERNATIVE PROPOSALS MADE TO TAX SOCIAL SECURITY AND RAILROAD RETIREMENT TIER 1 BENEFITS IN THE SAME WAY THAT PRIVATE AND PUBLIC EMPLOYEE PENSION PLANS ARE TAXED.	HOUSE BUDGET COMMITTEE	JUNE 1985 PROVIDED TO REQUESTER: UNPUBLISHED
TAX ANALYSIS DIVISION (510022)		
ANALYSIS OF LONG-TERM REVENUE IMPACTS OF THE PRESIDENT'S TAX REFORM PLAN: ANALYZES THE REVENUE EFFECTS OF SEVERAL MAJOR CORPORATE INCOME TAX PROVISIONS INCLUDED IN THE PRESIDENT'S TAX PLAN.	HOUSE BUDGET COMMITTEE	JUNE 1985 PROVIDED TO REQUESTER: UNPUBLISHED
TAX ANALYSIS DIVISION (510020)		
BACKGROUND ANALYSIS OF CORPORATE MINIMUM TAX ISSUES: AN ANALYSIS OF MINIMUM TAX LEGISLATION, PROPOSALS AND RELATED LEGISLATION FROM ENACTMENT IN 1969 TO PRESENT. WILL INCLUDE EXPANDED DESCRIPTIONS OF MINIMUM TAX LAW, PROPOSALS, AND RELATED LEGISLATION, SUPPLEMENTED BY TABLES SHOWING REVENUES RAISED BY MINIMUM TAXES SINCE 1969.	SENATE APPROPRIATIONS COMMITTEE	JULY 1985 PROVIDED TO REQUESTER: UNPUBLISHED
TOPIC: TRANSPORTATION		
NATURAL RESOURCES AND COMMERCE DIVISION (440026)		
THE FEDERAL BUDGET FOR PUBLIC WORKS INFRASTRUCTURE: ANALYSIS OF THE LEVELS AND FORMS OF FEDERAL SPENDING FOR INFRASTRUCTURE-RELATED PROGRMAS PROPOSED IN THE PRESIDENT'S BUDGET FOR FISCAL YEAR 1986.	SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE	AUG. 1, 1985 PUBLISHED

Senator D'AMATO. I have a number of questions that I am going to submit to you in writing and ask that you respond accordingly. I know Senator Stevens has a number of issues that he would like to bring up, so I am going to yield to Senator Stevens.

Senator STEVENS. Thank you. I am here because I think it is very timely. As you know, the budget resolution came out last night, and we have now got a $279 outlay limitation on defense.

RATIO OF BUDGET AUTHORITY TO OUTLAYS

Over the last several months, there has been considerable discussion over the relationship of outlay targets to the relative budget authority in either version of the resolution that was under consideration.

Do you think either ratio of the budget authority to outlays is achievable realistically now?

Mr. PENNER. We have to regard them as targets, obviously, and we certainly recognize the kind of difficulty that you face, having slowed down the growth so rapidly and having all of these outlays building up from the past. Technically, there is clearly some mix that would go with that particular target. But we can't judge the political and technical, or even the efficiency difficulties, of getting there.

Senator STEVENS. We have got two options. We can cut into the high spending accounts to get the reductions and maintain a higher budget authority, which cuts O&M, personnel, readiness, or we can put reductions across the bill in order to achieve the outlay targets and forgo the budget authority.

Do you know of any other option I have got than that?

Mr. PENNER. I think that summarizes it.

MILITARY RETIREMENT REFORM

Senator STEVENS. We have got, going into this year's budget now, some memories, some disagreements we have had with you over the last year; particularly take the military retirement reform savings.

The way you scored those in the course of the last 7 months has indicated a swing of $2 billion, $2 billion applied to the bill I handle now.

If that is applied to us now, it would cut 700,000 men off our payroll for defense. Can we get a little more accurate going into this bill so I don't have a swing of $2 billion over the place of 7 months in handing it in?

Mr. PENNER. I think it depends to some degree on effective dates for various things. Let me ask Jim Blum to comment on that.

Mr. BLUM. I think, Senator Stevens, that relates to section 8103 of the continuing resolution.

Senator STEVENS. That was my next question. Just in case you didn't really zero in on what I am talking about, you scored that last year when we suspended $6.3 billion so it could not be spent without a further act of Congress.

You scored outlay estimates more than $7 billion against a total budget authority of $6.3 billion. Now, that was really something for me; $700 million more than was in the fund was scored against my bill.

I can't live this year with that, and I am here this morning, Mr. Chairman, to find out whether I have got to fight the CBO before I start the bill this year, because I am surely not going to be able to fight it during it.

Senator D'AMATO. May I ask, how does that $700 million get scored against you when it is over and above the $6 billion?

Senator STEVENS. We set aside moneys that we took from prior years and put it into a suspension fund, knowing we were going to need money for pay, for retirement. We had $862 million dollars set aside for the mariner fund, which we have now given up and put it into CELV's.

I think the real question is how you are going to score those things as we go into it. Part of it is going to spend out in 1987. That hits my outlay targets for 1987. If we are $87 million over what we set aside as we go into spending, I don't know how you can come up with moneys more than we had set aside.

Does anyone know who did it or how it came out? Are you familiar with that problem on 8103?

Mr. BLUM. I am unfamiliar with the scoring, but that could be the result of the scoring in section 8103.

Senator STEVENS. How can you score more money than is set aside?

Mr. BLUM. I agree with you. I think that is clearly an anomaly. I think the differences are related to the mix of programs for the entire appropriation bill and they go back to the issue that you raised first in terms of——

Senator STEVENS. We had a sequestering against the funds, so we really only had $6 billion in it altogether.

Mr. BLUM. That is correct.

SEQUESTER ACTION

Senator STEVENS. You put the sequester against it, which is all right. I don't think it should have gone against it, but in any event, it did; we ended up scoring $7 billion. Sean reminds me I am wrong. It was $7 billion scored against $6 billion in the bill. We now have a setaside of $300 million for pay below the levels assumed in the Defense bill.

I am told that you have notified our people that you will not recognize the adjustment and you are still going to score the pay requirements at the higher rate, although we, in effect, have made them absorb $30 million. How can you go against what we have said totally in the bill?

Mr. BLUM. In terms of section 8103 as it now stands, I think it creates a situation that is most unusual in the appropriations process and has posed a unique scorekeeping problem. As I understand what has been done here, you have set aside certain funds, but then you have authorized their transfer at some subsequent point in time, subject to the approval of the subcommittee.

Senator STEVENS. We froze their budget authority so we would be within the budget authority limits and we saved the outlays for the use in this fund on the amount that we felt was required based upon the original estimate of what the outlays would be in 1986.

But you now apparently refuse to recognize the actual terms of the supplemental in terms of the limits on the setaside for pay requirements. You say that you are scoring us at the original pay requirement level, the higher rate of $30 million on the bill that is on the floor today.

Mr. BLUM. The answer, sir, is that our reading of that language is, in effect, that it is an authorization as opposed to a specific appropriation. When we are scoring appropriation bills, we score specific appropriation actions, whether it is a rescission or a transfer or the appropriation of moneys.

What this language does is to say that you have authorized something that happened at a later point in time, and it makes it much more akin to an authorization bill.

Senator STEVENS. It is still an appropriations bill, and it is still limited to 1 year on pay. We are not going beyond 1 year on pay.

Mr. BLUM. I think this is what has created the unusual aspect of this particular bill is in terms of the language that has been——

SCORING ANOMALY

Senator D'AMATO. Who actually made that decision? Did you make that? Do you have somebody who actually made that decision, the scoring? It is an anomaly. I don't know what you mean by anomaly.

Senator STEVENS. The anomaly is that we put a budget authority aside to save for the pay decision. When we made the decision, we actually gave them $300 million less than what we set aside. We used that other somewhere else, as you know.

So you scored us twice on that money. You scored us as saying we have still got it for pay, although we put it in the CELV. The CELV account has been scored. You scored it.

I have got to tell you, I can't live with this Budget Act if you are going to do this. We are the ones under the gun now; Defense is under the gun. They have given us $279 billion in outlays. You now we are carrying over almost $120 billion from last year. When we start, if you start scoring those last years, I mean prior years, not just this last year, but prior years, if you score those prior years, including 1986–87, the way you are scoring 1986 in 1986, we might as well fold up the tent.

You are somewhere near $6 billion off of us already. I had that fight, not really fight, discussion, you remember, on the floor with the Budget Committee chairman about the way you are mixing these outlays for us, and seemingly, acknowledging them differently than you originally estimated them.

So we came up, what was it, $9 billion, the difference between $9 billion between OMB and CBO, and the budget comes to us with the OMB figures.

So then we start trying to adjust the mix, and we find out that you are on the high side, and if you are on the high side with a difference of that kind, we tried to find, narrow it down to somewhere around $4 billion, wasn't it? If we could have $4 billion treated in the manner you treated it before when it was up for authorization, then we are a lot different.

If you treat it that way, it means that $279 billion that we got last night is $270 billion in terms of the budget from OMB. That really rocks this Defense bill. I don't know whether we are going to have to have a conference or summit or somehow or another have you guys get together so we are not whipsawed. We are the only ones, really, that are whipsawed now in this outlay process. It is impossible for me to live with the House over there. They didn't want the outlay figure of $279 billion anyway; they wanted $272 billion. You put it below them to start with.

Because you are different from OMB by $9 billion. I don't know how you feel about Defense. I'm not asking for policy positions, but we can't run ourselves in this committee on that situation. We got into this situation once before, remember, when we were arguing about computers. We lost a whole supplemental once because of a difference of about $6 billion due to a difference in computers, what the House was feeding into their computer and what we were feeding into ours.

Well, this is the same thing now. The OMB computer runs this thing and tells us: You have got plenty of room, you can put this back in here. You run it and said: You are already over.

I have got to have some way to have one computer tell me what the outlays are going to be on the Defense bill this year. It is so sensitive, you cannot believe. It is, literally. You talk about your home porting. There will be no new starts in this budget if you are right and the $9 billion comes out. We will lose the C-17. We will lose every new start that is in the budget. We will lose a substantial number of people on top of that.

We cannot run this Department of Defense at $270 billion in outlays. I am here to make an appeal to you. You have got to find some way to not put us in the same situation. We are in it today on the floor today, if anyone raises that question as to what the outlays are. You have got a different outlay figure now than you gave us last year.

Senator D'AMATO. Ted, why don't we go right back to that particular issue. How did they come up with this? Who did that, your decision about the section anomaly? Senator Stevens poses the problem. How do we handle it? Are you just going to continue to interpret it as you are?

Senator STEVENS. I have got to tell you this. They don't have a constant interpretation yet.

Mr. Penner, to a certain extent, you have got one that is sort of the traditional historical trend line of outlays. We have got a new mix coming at us now. You actually have two baselines for my bill right now, not one. You have two, and we don't know which one you are going to come down on when we finish our bill.

Can we rely on these estimates, either one of them? Which trend line are you going to use?

Mr. PENNER. I think the point on that, Senator, is that when we prepared our baseline initially, we did what we usually do and looked back into last year's mix. When the President's 1987 budget came out, it greatly increased some accounts more than others, and within the accounts, it increased purchases relative to civilian personnel. We took account of that in evaluating the President's budget, which tended to slow down the outlay rate. Presuming the 1987 appropriation moves toward the President's program mix, then the slower outlay rates would be the relevant ones to use.

CBO READOUTS

Senator STEVENS. Is there any way we can find out before we do something how you are going to read it out? We seem to be getting our CBO readouts after the fact. We do it after we meet in the supplemental, for instance. Just yesterday, I got the word that the supplemental on the floor is being read differently than it was before on the 8103 accounts.

I swear to God, I don't understand how you can get $7 billion out of $6 billion that we set aside. We didn't add any money. We didn't take anything additional. The most we could allocate out of $6 billion would be $6 billion, in my opinion. I really would like for someone to explain to me how you got $7 billion out of $6 billion.

Mr. PENNER. I think we should have our respective staffs get together.

Senator D'AMATO. Isn't that basic? How did you get $7 billion out of $6 billion?

Mr. BLUM. I don't think we did, sir. I think there is a misunderstanding, and I would like to pursue that with Senator Stevens now.

Senator STEVENS. I would like to, too. I would like to pursue what you just said. As Sean just pointed out, if we can find some sort of an agreement that we stick to the OMB mix that you are going to find some way to read in the OMB outlays, then that is $1 billion less right there on those one series of accounts.

Mr. PENNER. I didn't mean to imply the OMB outlays. What I meant to imply was the outlays used in our evaluation of the President's budget. The OMB outlays are very, very different from historical experience.

Senator STEVENS. I have got to tell you, I am seriously considering some kind of a third party between you and OMB in making someone tell us who is right before we start. We are going to lose too many things, too much of our defense and too many jobs, too many people if we have to go your high side in order to comply with the Budget Committee, and yet, the Department of Defense is being instructed by the OMB that they are on the low side. They are being told they have been cut more and therefore they have to freeze more in order to deal with their outlays.

I hope you understand that their outlays are lower than yours, not higher.

Mr. PENNER. I certainly understand that; yes, sir.

Senator STEVENS. But it is the higher one that catches us, but it is the lower outlays that let them spend less money. Defense is caught between the two, and they are hurt on both sides. We could get more here, but we can't because of the ceiling; OMB won't let them spend more because they associate lower outlays than you do with what we give them.

Certainly, you must understand where we are at in Defense. That is not fair. I think someone has to make the decision who is right, before we put up the money, before we finalize this project this year. I am going to insist that someone tell us, between you and OMB, what the actual dollars that are going to be released in defense are.

You have the luxury of saying these are the moneys that are authorized. DOD has to spend something, and OMB is telling them what to spend based on their numbers.

I think it is very unfair to us, because we spend too much time on this account. My guy is going nuts, and I am going nuts trying to deal with Chappell and his people over there.

Have you got any solution at all?

DIFFERENCES WITH OMB

Mr. PENNER. I think it is very hard to see a solution to this big difference of opinion that emerged between us and OMB this year. They did things very differently than they usually do them.

Senator STEVENS. I might offer an amendment to this supplemental—it is still amendable—and say, "The budget limits and outlays don't apply to us unless the two of you agree." If you are interested in saving the budget, then somehow, you have got the luxury of saying, "Well, we don't have to get together."

That is what forced us to the GAO, if you remember, in terms of the whole Gramm-Rudman-Hollings things. They feared the two of you wouldn't agree. But I have got no GAO. Maybe I ought to get them involved in this, too.

Mr. PENNER. They are a possible arbitrator. There is no doubt about that.

Senator STEVENS. I have got to have someone. I have got to have an arbitrator here before we start this markup, which starts in August when we come back.

Senator D'AMATO. I think the manner in which you are proceeding now between OMB and yourself is really unacceptable, isn't it? Are you doing the business of the people?

Mr. BLUM. Sir, if I may——

Senator D'AMATO. Do you think it is acceptable?

Mr. PENNER. Well, sir——

Senator D'AMATO. Wait, he is pretty good at coming up with these words. Do you think it is acceptable?

Mr. BLUM. I can't give you a straight answer to that in the following sense.

Senator D'AMATO. Senator Stevens has, I think, put out on the table a very real problem between yourself and OMB. Now we are at a point in time where we have to reconcile these numbers so we in the Congress have something to operate on.

EXPLANATION OF OUTLAYS AND AUTHORITY

Mr. BLUM. If I may make a statement, please, outlays are estimates of what checks will be issued during the particular calendar year, and the budget authority which was granted to an agency is authority to enter into contracts and to make obligations and to eventually write checks against those contracts and obligations.

The whole budget control process is on the amount of authority that is given to an agency to spend. The outlays are merely estimates of what cash checks would be issued during the fiscal year.

We rely on historical relationships between the giving of budget authority on the one hand and the amount of checks that will be written on the other hand in a fiscal year or in the following fiscal year and so forth. When we score an appropriations bill we use, typically, that historical relationship of budget authority to outlays. That is, if you appropriate $1 billion for this activity, the amount of outlays that will occur in this fiscal year might be $500 million, for example, and the remainder will be spent in later fiscal years.

Typically, it may be that we have to examine quite closely what is, in fact, appropriated. For example, if the $1 billion is all for pay, that might spend very quickly. But if it is for procurement, it might spend very slowly. So one has to pay close attention to the actual mix of the budget authority.

Typically, when it comes to defense programs, we and the Pentagon have essentially the same outlay rates that we apply. That has normally been the case, although when one compares our estimates, we may have some small, technical differences. But this year posed a unique situation. The Pentagon, in effect, ignored its own spending rates to come up with the outlay estimates in the President's budget. I don't know why that was the case. But that was the basis for why we had these big differences between CBO and the Pentagon estimates this year for the outlays that would result from the President's requested budget authority for the defense program.

Does this matter? You asked me, "Is this acceptable?" Well, it depends, because it depends on how the Congress is going to do its own budgeting. Under the Budget Act, the Budget Committee set in place a budget plan. These appropriations bills are scored against the budget resolution. So if we use a consistent set of spending relationships between appropriations on the one hand and cash outlays on the other, the same relationships as were contemplated in the budget resolution, then presumably, the Congress is held harmless against any differences in estimates between the CBO on the one hand on the OMB on the other.

Mr. PENNER. Could I add something at that point?

Senator STEVENS. The problem is, you have got a luxury there when you say "the Congress." I told these guys, and I really did write that one, let's face it. Sean and I wrote $6 billion and how to spend it, and you told them, "If you do that, you are going to spend $7 billion, and we are counting $7 billion against your outlay authority."

That is not me, that is you. I am the one that is elected, and you are not, and yet you have got to live with your estimate, because it means I can spend $1 billion less because of what you did on 8103.

I can't live with that, and I am not going to live with that, and I am going to cut your budget down to the point where you can't do it to me if you do it. There has to be some way I can get back, and I can get back by fighting what you want here, your increase in money, and I am going to cut your money. I am going to come to the floor; I am going to object to this money. You cannot put me in that position.

I tell these people, "You can only spend $6 billion." I give them the specific allocation of money, and I give them the specific accounts they can spend it on' You say, "If you do that, we are counting $7 billion against your total." There is nothing I can do about it. There is no appeal; there is no one to go to to arbitrate. There is no one to say that that is wrong, and I have lost $1 billion in terms of the allocations in this year.

That is unfair, and it is not something I am going to live with. I have been around this place too many years to know I don't have to live with it. Someone on the floor is going to have to justify what you do when you want that money, and I am telling you, Mr. Penner, you better get this thing in line, or I am going to go after your money. I think there are a lot of people in the Senate who are just as frustrated, and they will help me, because the Budget Committee is going to have to defend what you do in terms of this account, and this account shows the total inability of your agency now to get together and resolve the differences you have got with DOD and OMB. I don't have to do that.

You know, we wrote that law, and we said, "You cannot; you must absorb that $30 million," and now you tell me, "If you give them that authority, we are counting it. We gave them the full amount we estimated you are going to spend last year."

Those things, I think there isn't a Senator around here, if he understands what going on, or she, who isn't going to agree with me that you guys have outlived your usefulness for us if you are going to put us in that position. I am being tough, and I am going to be tougher when I get to the floor. I want an answer. I don't want this, "I don't know."

I want you to tell me, how are you going to resolve that difference so that you can tell me how you came to the conclusion that they will spend $7 billion if they get the $6 billion I allocated out of 8103.

I think I am entitled to an answer before you get any money.

Mr. PENNER. Well, Senator, I think it is important to reflect on how the process works.

Senator D'AMATO. Wait a minute. I don't want to hear about how the process works. I want to hear an answer to the question the Senator raised a half hour ago, and he still hasn't gotten an answer to the question. You had $7 billion, we got $6 billion. We don't get the answer.

Senator STEVENS. I think whoever did it ought to come here and tell me how they got $7 billion out of $6 billion.

Senator D'AMATO. Do you know how they got $7 billion?

Mr. BLUM. I frankly don't know. I would like to explore it with the staff.

Senator D'AMATO. Isn't this kind of hard? It seems difficult for you.

Mr. BLUM. It certainly does in terms of the way it has been stated.

Senator STEVENS. It is exemplary of the problem, Mr. Chairman.

Senator D'AMATO. I tell you what we are going to do. We will adjourn for an hour and I would like you to get ahold of whoever it is, because I think the Senator is entitled to an answer. I want an answer. I want to know what is going on, all right? So we will see you at 10:45.

Senator STEVENS. Good. I will be back.

Mr. PENNER. Quarter to 11.

Senator D'AMATO. Quarter to 11; OK?

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

Question: What is your reaction to the House mark for the CBO of $17.2 million, an almost $2 million reduction of your estimate? What will the House's recommendation of four new positions as opposed to ten do to your operations? Where will those four people go?

Answer: Certainly, we at CBO realize this is a most difficult time for the Congress to be providing any agency with additional resources. At the same time, the CBO, more than any other agency, is assigned a myriad of new tasks by the new Balanced Budget Act. Our budget submission this year, as in years past, reflects only those resources we feel are essential in maintaining our current level of service to the Congress.

The 10 new positions requested are to be assigned in areas where the demand is the greatest for carrying out the tasks required by the recently passed Balanced Budget Act. Reductions in that number of positions mean that our current staff, already strained, will continue to bear the increased workload.

The majority of any new positions will be assigned to the Budget Analysis Division. The Tax Analysis and Fiscal Analysis Divisions also need additional resources. Most important, however, is that CBO maintain the flexibility needed to assign new positions where the workload demands.

Question: Can you estimate how much Gramm-Rudman-Hollings cost you in terms of the work you had to do in January? How much more did it cost you than your normal start-up work early in the year? Have you considered augmenting your staff with contractor support during your busiest seasons rather than hiring full-time permanent employees.

Answer: In all, 120 professional and support staff members worked nearly full time for several weeks on the Sequestration Report at a total personnel cost of $331,264. In addition, initial computer costs were approximately $25,100 which does not reflect increased expenses resulting from enlarged data bases. Maintaining this added detail will increase the processing costs of all subsequent CBO analyses. Printing, distribution, and storage costs of the Sequestration Report were more than $50,000.

Fortunately for CBO, this work came at a time when we normally recalculate our economic assumptions and reestimate the effects of final Congressional actions on the budget for our annual reports. Much of that work dovetailed the work required for the Sequestration Report. However, specific details of our annual analyses had to be put on hold until the work on the Sequestration Report was completed.

The problem with hiring temporary staff during busy periods is that we are dealing with extraordinarily specialized occupations. It usually takes six months for a new employee to be working at 100 percent capability and be fully informed of the program characteristics that he or she must analyze. Unfortunately, there is not a contracting pool available that can provide that level of expertise on a temporary basis.

Question: Please describe how you have applied the $726,000 Gramm-Rudman-Hollings sequestration, to Automated Data Processing, to personnel, etc.

Answer: To achieve the $726,000 reduction mandated by P.L. 99-177, we took actions in several spending categories. We reduced what is called Other Services by $653,000. This reduction includes $191,000 from commercial ADP timesharing, $317,000 from interagency ADP timesharing, and $145,000 from systems, data and model development funds. The savings were achieved primarily by transferring applications from mainframe computers to microcomputers, processing more jobs overnight, and postponing maintenance and development activities. These cuts constitute 90% of our total reduction.

In addition, by postponing upgrades, ADP software purchases were reduced $20,000; by reducing planned microcomputer and word processing replacements and upgrades, equipment purchases were cut $18,000; and the summer intern program was reduced by four positions, resulting in a savings of $50,000.

As an offset, the printing budget was increased by $15,000 to provide some relief from the additional printing costs of $80,000 required for the sequestration reports in fiscal year 1986.

Question: You are requesting $95,000 for updating ADP systems and for creating new ones. Please provide a list of the ones you wish to create and the ones you want to update. Can any be eliminated altogether?

Answer: This increase for data and model development relates to our tax analysis and human resources programs. As a result of legislative changes to tax programs, many of our tax models will need to be revised. We are also planning to obtain data from the Survey of Income and Program Participation to improve our models for both income security and health programs. Based on the outcome of the tax legislation, we may be able to discontinue a number of our models in this area.

Many of the models we use are constructed for a particular issue or legislative option. In many cases, the model may never be used again or at least not until a similar issue is anlayzed.

Question: How old are the microcomputers you wish to replace or upgrade to the tune of $265,000? Will you purchase or lease them?

Answer: Several of our microcomputers will be five years old. Our heavy use, generally exceeding 40 hours per week, has increased the wear on these machines far beyond that normally experienced. In addition, new software upgrades require that a number of our machines be expanded by adding more memory to existing machines and by upgrading floppy disk machines to hard disks. All replacements will be purchased.

Question: Please outline for the record some of the specific new CBO workloads associated with the enactment of the Gramm-Rudman-Hollings Act. How have you been coping with these workloads? What have you cut back on in order to meet the workloads generated by the Gramm-Rudman-Hollings Act?

Answer: First and foremost among the new tasks that the Balanced Budget Act mandates for CBO is the Sequestration Report. This report is jointly prepared by CBO with OMB. As required by law, the joint report estimates the budget base levels, including the amounts by which the projected deficit exceeds the maximum defict amount for the fiscal year. It also provides OMB and CBO economic assumptions, and calculates the amounts and percentages by which various budgetary resources must be sequestered in order to eliminate any deficit excess.

CBO analysts reviewed over 1,000 budget accounts and applied percentage cuts to complete the required report. Personnel resources were strained by the task, and we anticipate the workload will be even more demanding in August, when last-minute Congressional action can dictate changes in the budget picture.

In addition to the Sequestration Report, the Director of CBO is given the responsibility for alerting the Congress to a recession or downturn in the economy that might warrant the suspension of the Balanced Budget Act's deficit target. In order to do this, CBO will have to monitor the economy constantly. Currently, forecasting is done semiannually. Constant monitoring will increase both our manpower and computer needs significantly in this area.

Finally, the Balanced Budget Act requires CBO to provide the Congress with a report on unauthorized appropriations and expiring legislation. For the most part, this is information that CBO has been collecting and providing on request to the House and Senate Budget Committees. Now, however, CBO will have to file a report by January 10th supplying more detail than is currently maintained.

To date, we have been able to absorb the costs of the increased workload placed on CBO under the Balanced Budget Act. However, of considerable concern is what happens in the longer haul--namely, if we continue to place heavy demands on our key analytic staff, and no relief is provided, we run the risk of staff burnout and would have to expect much more turnover resulting in diminished efficiency. The fact that CBO is operating under a fiscal year 1986 budget that is less than fiscal year 1985 and provides funding for only 216 of our 222 authorized positions compounds the problem.

It is certainly our desire to continue to be responsive to the Congress in the types of services we provide. We place a high priority on the wide range of work we perform daily for the Congress. However, we anticipate that some of our work will not have as quick a "turnaround time" as before the reductions. Also, some of the more detailed requests may require scaling back. Certainly, we will monitor most carefully any request calling for extensive computer runs, and there will be some requests for studies that will just have to be denied or placed on hold.

Question: Would the amount provided by the House Subcommittee allow you to hire the 10 new positions you require for costing out legislation? How much would be needed to hire the new people on a staggered basis spread throughout the year? In other words, what is the minimum you would need to get the new people on board sometime next year?

Answer: The amount provided by the House subcommittee is equal to approximately 40 percent of the amount requested for the 10 new positions. The number set out in the original request had already taken into consideration that all slots would not be filled at the beginning of the fiscal year. Our request of $399,000 assumes hiring on a staggered basis throughout the year. Because of the degree of specialization required, it takes several months for a new employee to be fully productive; any reduction in the number of staff members requested would further hamper our ability to respond to the new workload.

OFFICE OF TECHNOLOGY ASSESSMENT

STATEMENT OF JOHN H. GIBBONS, DIRECTOR

INTRODUCTORY REMARKS

Senator D'AMATO. How are you?

Mr. GIBBONS. Fine.

Senator D'AMATO. Good to see you.

I will take your testimony as if read in its entirety, and submit it for the record, and then we will ask you to summarize your statement.

Mr. GIBBONS. All right, sir; I am happy to do so. I understand Senator Stevens has submitted his testimony to you.

Senator D'AMATO. That is correct, and we will have some questions, but we will put most of them to you in writing and ask you to respond.

GOOD NEWS AND BAD NEWS

Mr. GIBBONS. Great. I would be happy to do so.

There is always good news and bad news, as you know, Senator.

Senator D'AMATO. Give us some good news, please.

Mr. GIBBONS. The Lord God visited Moses. He said, "Moses, I have got good news and bad news for you. First of all, I have a job for you. What I am going to do is I am going to visit the Egyptian people with a number of disasters, plagues, locusts, first-born dead, rivers run red. Whereupon, I am going to lead you out of Egypt into the promised land. That is the good news.

"The bad news, Moses, is first you have got to write the environmental impact statement for this." [Laughter.]

MATURATION OF OTA

Our good news, Mr. Chairman, is that I believe there is a maturation of the Office now in its relation with committees and with Members of both parties. We are being used, my impression leans, much more heavily and effectively now by the committees.

Ted Stevens' description of OTA as a kind of shared resource across committees and across parties is coming true, I believe. Of course, that means that we have a heavier and heavier load on us now in analyses, briefings, reviews, testimony, and the like.

At the same time, of course, our resources are diminished, and that means that we have to do a little bit of fancy catwalking to stay within our resources and maximize them with this increasing load on us.

UTILIZATION OF PEOPLE FROM OUTSIDE GOVERNMENT

We have made a number of adjustments. I try to outline some of them in my written testimony. I think that one thing that comes out of this is that the cost effectiveness of OTA's unique use of people outside Government, a lot of it pro bono, is paying off in terms of our ability to continue a high rate of delivery to Congress of highly trustworthy information in which we pull together national wisdom. We filter it with our own analytical methods; and we deliver to Congress a kind of a distillation of that full national wisdom.

The best way to give you a feeling for this process is that one-half of my annual report to Congress, the whole second half, consists of a listing of the people during that year who were directly helpful and involved with OTA in our advisory panels and workshops; people coming in from State government, from industry, from universities, and from public interests.

I am pleased that even though we are under tight budget constraints, we are holding on to two things: One is our permanent staff. That means we cut back on contracts; we cut temporaries; we make a variety of trims, but we hold on to our staff. Also we hold on to our use of people on advisory panels, and as reviewers and the like. I think these are our mother lode.

In my written testimony to you, Mr. Chairman, I summarize some examples from our recent work and how it has matched the needs and activities of various committees of Congress. I give a few examples on a number of pages there that I hope will be helpful to you as you consider our program.

I also give you some selected summaries of current work, and there are one or two of these that I would like to highlight to you this morning.

We have done a lot of work on industrial competitiveness and the role of technology in helping the United States maintain its economic industrial competitiveness in world markets.

RECENT AWARDS TO OTA

Reassurance from the private sector came just a couple of months ago; namely, an award given to OTA by the American Commercial Industrial Conference, the Bio Expo '86. OTA received their prize for outstanding technology service. Fittingly, it is an eagle for a congressional agency. It is Steuben glass.

Senator D'AMATO. Beautiful.

Mr. GIBBONS. They stated that, "OTA, more than any other office, agency, or department within the U.S. Government, has provided leadership at critical stages in the development of domestic biotechnology and has catalyzed further research development in commercialization." So we are pleased that we not only get the signals back from our clients—the Congress, the committees—but we also have kind of an independent signal back from the private sector.

I did want to share that with you, because I feel it is, well, it is a nice eagle, and it does something to us.

Senator D'AMATO. It is beautiful.

Mr. GIBBONS. Thank you.

PRIVATE SECTOR REPRINTS OF REPORTS

Mr. Chairman, I recall that last year we were talking of publications costs and other ways to stretch our dollars. One thing we are doing is encouraging the private sector to help in commercial reprinting of our reports to make them available to a broader audience than we could do or that the GPO might be expected to do. One example of that is that after the GPO published our work on both antisatellite weapons and on the Strategic Defense Initiative, Princeton University Press took both of those documents, which were then in the public domain, and reprinted them in paperback as a single volume.

It turns out you can buy the Princeton University Press paperback for about one half the price of the GPO copies. It is a load off the Government, it is a load off our back, it lowers our publication costs, and it provides wider access to public information. I would be happy to leave this copy with you, if you like. It is a little heavy, and I know you have a heavy reading requirement.

OTA FINDINGS INTEGRATED IN FARM BILL

My final example of some of the work we have been doing, just to help visualize it, Mr. Chairman, is I had the director of our program that worries about food and renewable resources put paper clips in the conference report on the Food Security Act of 1985, the farm bill. These paper clips represent the places where OTA's assessment of the future of American agriculture was quoted or otherwise utilized in the preparation of that bill and report.

So I feel that while I can't hope to get a highly quantitative feeling about how well OTA is helping the Congress, I feel that this is the kind of an example, and maybe that is the best way I can report to you on how I feel we are being used.

SUMMARIES OF CURRENT WORK

In our current work, finally, Mr. Chairman, we are involved, as usual, in a number of issues in which technology, and especially technology that is controversial, is interfacing public policy. I summarize, on the last three pages of my testimony, a few of the current things that are about to be finished.

We continue to work on the issue of waste, which is a thing that inherently requires government. The private sector needs governance to help keep the game honest, and we are now working on the question of how can you reduce the output of hazardous wastes while you are making goods and providing services. There are advanced technologies that result in process change that we believe are going to be very interesting for EPA's long-term planning, for example.

We are working on the whole question of intellectual property licensing and regulation of technologies which constitute not only a social, but also an economic issue for a nation. This involves inescapably a number of technologies that are developing so rapidly that some greater wisdom might have to be applied than simply considering the technology now available.

These are vexing issues, and they are very difficult ones, but we are trying to tackle them. We are working, as you know, on the technologies to help control illegal drug traffic, a tough issue, partly classified, but one that we believe is going to be an important one for the Nation.

TRANSPORT OF HAZARDOUS MATERIALS

We will be releasing, in the next week, a major study on the transport of hazardous materials, which presents enormous problems not only for the Federal Government, but particularly for local government.

Senator D'Amato. When does that come out?

Mr. Gibbons. I believe it is on July 6 or 7. I will be happy to get that material to you just as soon as we get copies from the GPO.

Senator D'Amato. I would appreciate that. That is a very sensitive area for us.

Mr. Gibbons. Particularly for a New Yorker.

Senator D'Amato. Yes; Long Island, NY.

Mr. Gibbons. Mr. Chairman, I think I should stop at this point. I would be happy to receive questions from you.

REQUEST FOR ASSISTANCE ON SECURITY ISSUE

Senator D'Amato. As an aside, I would like to talk to you after the meeting about the drug epidemic and the ways in which to use the latest methods to help interdict as much as possible what is coming into this country.

It is a burning issue with respect to the security of the Capitol. We might be able to fashion a request that you use some of your resources to review that.

Mr. Gibbons. I would be happy to meet with you after this session or later in the day if you like.

Senator D'Amato. It seems to me that that might be an issue that I will ask you to take a look at. There is broad interest in that by the leadership, by others. We seem to be floundering, although I don't see it developing the kind of consensus necessary. Maybe we lack the proper input.

Wouldn't you say so, Keith? Maybe we need some help on that. As it relates to the new plastics that are being used for pistols and hand guns, et cetera. They are much harder to detect.

Mr. Gibbons. We have done a bit of work on that. We can share that information.

Senator D'AMATO. I know Senator Hatfield has a great deal of concern, as does Senator Cranston and others. It is a bipartisan area that you might be able to provide us a little bit of an insight on. I am going to ask Keith if we could frame a request on my behalf for you.

Mr. GIBBONS. We would be happy to meet with Keith, if you would prefer, first, Senator.

Senator D'AMATO. Yes.

Mr. GIBBONS. Depending on your schedule.

Senator D'AMATO. Sure. Let me just ask about your budget now.

OTA'S RESPONSE TO HOUSE MARK

The House reduced your request by $2.1 million. How will this affect your plans for OTA next year? Where will you make the reductions? How will you be able to manage your business if that reduction is adhered to?

Mr. GIBBONS. This is the $15.5 million figure, Mr. Chairman.

Senator D'AMATO. Yes.

Mr. GIBBONS. Only a couple of comments. That does provide us with slightly more than the inflational rate for 1986. At the same time, it would be, even in current dollars, a reduction from resources provided us in fiscal year 1985. So the constraints we made between 1985 and 1986 which were, first, a budget reduction, and then a Gramm-Rudman reduction would have to stay in force, and I guess I can best describe those constraints as a little bit of triage. We are saving those things on which our future absolutely depends, and we are letting go some things which are important but are expendable for awhile.

This means, in a sense, that we are draining our pond, because we are using less of our resources on the assessments of long-term developments of technology and their implications for the States and are shifting our resources toward those things that Congress needs right now.

Senator D'AMATO. More immediate.

Mr. GIBBONS. More immediate. You can drain your pond for awhile, you can empty your warehouse for awhile, you can eat some of your seed corn; but after awhile, it catches up with you. We will go with whatever mark you give us, and we will spend every dime as wisely as we can, but the House mark will represent yet another year in which we are draining the pond.

Senator D'AMATO. I think that is well put. I have a number of questions that I am going to submit to you in writing and ask that you respond. We are going to take a brief recess now and come back at 10:45. That concludes our session. Maybe Keith and I can share a few minutes with you at this point.

Mr. GIBBONS. Thank you, Mr. Chairman.

[A brief recess was taken.]

[The statement follows:]

STATEMENT OF JOHN H. GIBBONS, DIRECTOR, OFFICE OF TECHNOLOGY ASSESSMENT

Overview

Over the next several years, much of the attention of the Congress will be focused on the problems of cutting the deficit and the many consequences of those decisions. Reflecting that fact, OTA currently devotes a considerable part of its resources and expertise to assisting Congress in science and technology issues that directly or indirectly impact the federal budget. Included are such major cost issues as agriculture, health care, toxic wastes, pollution control, and defense technologies.

Such issues, because of their complexity and uncertainty, do not lend themselves to "back-of-the-envelope" analysis ... especially during a budget-cutting drive. Some deficit cutting proposals that seem to merit support may, in fact, be very counterproductive in the long run. Similarly, some small expenditures may be inadvertently cut, even though they are expected to have large future benefits. For example, consider the cost of research to discover a perennial variety of corn. Such a discovery was recently made in a place where it could have become extinct in a few more years. The cost of this kind of search and discovery was small, but the implications for the future of grain are enormous. Conversely, large expenditures may not be trimmed because it is too difficult to do the technical analysis that show how they may be selectively cut with minimum damage.

OTA's Role

In this context, the resources provided to OTA are Congress's safeguard that the longer term considerations of technology's impacts on U.S. society are not neglected amid the difficult legislative budget choices of the next few years. It is OTA's role to do analyses for Congress to assure that it is fully and accurately informed about the impacts of budget choices and science and technology policies that form the basis for this nation's future productivity and well-being. At the same time, it is important for OTA not to be overly diverted from its mission of keeping a careful eye on emerging U.S. science and technology as it affects (and is affected by) federal policies. This "foresight" mission of OTA includes consideration of the consequences for the future of decisions being made today. (As Drucker points out, this is the essence of long range planning.)

As a nonpartisan, analytical support agency, OTA serves both houses of Congress by providing objective analyses of major public policy issues related to scientific and technological change. The focal points of OTA's work are: (1) technology in its various stages, from innovation, research, and development, to application and use; (2) basic as well as applied science; (3) the impacts -- for better or worse; (4) the policy issues associated with science and technology; and (5) the associated options available to Congress. In response to Committee interests, much more of our time is spent on the future implications of present technological capabilities than on projections of possible future scientific discoveries and technological trends.

OTA continually adapts its work to be responsive to the needs of our clients -- Congressional Committees -- and to complement the capabilities of our sister agencies (CBO, CRS, GAO). We also pay a great deal of attention to supplying the requested information in a manner timed, packaged, and delivered to be most helpful to Congress. Specifically, OTA works with requesting Committee staffs throughout a project to assure that the analysis remains responsive to need, and that information is available to the Committees, even in its preliminary form. "Delivery" of an assessment to Congress can begin early in the course of the analysis (e.g., through testimony and briefings) and frequently continues long after publication of the final report.

In order to match the needs of various Members and staffers, OTA prepares information in a hierarchy of detail. Our detailed assessment Reports are of greatest use to Committee staff working directly in the subject area, and they provide the all-important full documentation of findings given in the Summaries. These 20-40 page Summaries and the one-page Report Briefs are designed for Members and their staff not working directly on the issue but who wish to be informed on the subject. At a given time, the specific needs of Committees are usually more focused in scope than our assessments. For that reason, OTA prepares Technical Memoranda, Background Papers, staff papers, testimony, and briefings as required, drawing the information from ongoing or completed assessments. In this way, OTA extends the capabilities of Committee staff: by preparing these documents of narrower scope, holding workshops, or assisting in the preparation for hearings, OTA expands the knowledge available to Congress for specific purposes within a limited time frame.

By statute, OTA also makes its analyses available to the interested public, including the individuals and organizations who assist OTA in its work (e.g., State and local governments, the National Academies of Sciences and Engineering, corporations, public interest groups, associations, Executive agencies, and universities.)

The number of people and organizations helping OTA in its work is large (close to 2000 per year), and they come from within and outside of government. We build upon the work of our sister Congressional agencies, the Executive branch agencies, and private sector organizations in a variety of ways, including representation on our advisory panels and workshops and service as detailees, contractors, and reviewers. This mode of operation makes it easier for OTA to go beyond published information and take advantage of knowledge that is still unpublished; and it also makes it virtually certain that OTA will complement rather than duplicate prior or ongoing work by another agency.

Effectiveness

Many things contribute to Congressional decisions, making it especially difficult to gauge quantitatively the impact of OTA's work. We can point to the use of an OTA analysis in debate or in the writing of a bill or even in the actions of an Executive branch agency, but are usually not in a position to measure precisely its effect on a policy or appropriations decision in Congress or on decisions made by others (e.g., Executive agencies, state and local governments). In OTA's Review of Postal Automation Strategy: A Technical and Decision Analysis, Impacts of Technology on U.S. Cropland and Rangeland Productivity, and A Review of the Public Health Service's Response to AIDS, the impacts of OTA's work are readily and directly traceable to substantial savings and/or cost-effective improvements in services.

In other studies, OTA's contributions provide Congress with alternative options to deal with science and technology issues. Thus, instead of being informed of only the option desired by the Administration, Congress is provided with a range of options that reflect, for example, different spending rates. Examples include Civilian Space Stations and the U.S. Future in Space and Ballistic Missile Defense Technologies. Finally, OTA also works on emerging "foresight" issues, including Protecting the Nation's Groundwater from Contamination, Impacts of Applied Genetics, and long term prospects for U.S. energy production.

I would like to briefly review a few of the legislative uses of OTA's work completed in FY 1985 and to date, and I urge you to review OTA's current Justification of Estimates for Fiscal Year 1987 (pp. 31-33; 47-49; and 63-66) for a more complete summary.

Relation of Current and Recently Completed Work to Legislative Activities

1. OTA's two major assessments on hazardous waste (Technologies and Management Strategies for Hazardous Waste Control and Superfund Strategy) have had considerable effect on Congressional activities. OTA has testified at numerous Senate and House hearings. All three major substantive themes of the 1984 RCRA amendments (i.e., expansion of the regulated universe, limits on land disposal and use of alternatives, and promotion of source reduction) were supported by OTA's work. More recently, the Congress' work toward reauthorization of Superfund includes proposals that are directly related to findings and options in the OTA Reports; these include use of a waste-end tax, establishment of a technology demonstration program, increased R&D support, technical assistance grants to communities, and fostering alternatives to land disposal. OTA has also analyzed actions at specific Superfund sites; these analyses have had considerable impact on EPA's implementation of Superfund. OTA's work in this area,

therefore, has contributed substantially to national policy aimed at increasing environmental protection while avoiding excessive costs to the private sector.

2. As one part of the current study Wastes in the Marine Environment: Their Management and Disposal, OTA is examining the role of ocean incineration in waste management. Through testimony before a Subcommittee of the House Science and Technology Committee, OTA provided an overview of the central policy and technical issues surrounding this controversial activity. In particular, OTA analyzed the need for ocean incineration, the key areas of public concern regarding its regulation and safety, and its relationship to land-based alternatives for managing hazardous wastes. OTA's effort will play a role in consideration of whether to approve proposed legislation that calls for a moratorium on ocean incineration pending completion of further research.

3. The recently completed OTA Report, Technology and Aging in America, has already been used in several ways.

   o It was instrumental in the development of hearings conducted last Spring by the Senate Special Committee on Aging that reviewed the relationship of technology to better health for older citizens, especially women.

   o The findings of the Report were also the basis of a request from the House Select Committee on Aging for information on the possible differential impacts of environmental pollution on the elderly. That information was used to develop a directive to the Environmental Protection Agency to carry out a more detailed study of the issue.

   o OTA also provided information on nutrition and the elderly to the House Committee on Agriculture for the Committee's review of the food stamp and elderly congregate meals programs.

4. An OTA paper prepared by staff working on the assessments of Life-Sustaining Technologies and Dementia examined the dilemma facing America's terminally ill elderly. The paper was included in a forthcoming report, "Dying with Dignity: Difficult Times, Difficult Choices," of the House Select Committee on Aging. According to the Chairman, the OTA document played a major role in ensuring the success of the Committee's hearings. The studies tackle the sensitive and complex issue of the notion of whether to constrain the use of Medicare and Medicaid funds to extend the lives of terminally ill patients beyond some point.

5. The Strategic Defense Initiative will cost billions of dollars to research, and many billions more if implemented. OTA's two published Reports on this issue, Ballistic Missile Defense Technologies and Anti-Satellite Weapons, Countermeasures, and Arms Control, are helping Congress with the complex decisions it will have to make regarding the nature and timing of research on these technologies. Congress's confidence in OTA's ability to provide unbiased, expert analysis of SDI and its associated technologies, and to manage highly classified information, was displayed in the recent mandate for OTA to continue this work with funds provided from Defense Department appropriations.

6. An OTA technical memorandum, Africa Tomorrow: Issues in Technology, Agriculture, and U.S. Foreign Aid, was used by the Subcommittee on Natural Resources, Agriculture Research, and Environment, House Committee on Science and Technology, for hearings on African food production. The requesters of the study, the House Select Committee on Hunger, cited both the relevance and the timeliness of the study, as it was released just as the Committee considered legislation to assist recovery and rehabilitation in the famine and drought stricken nations of Africa.

7. Testimony, briefings, and the OTA Report, Technology, Public Policy, and the Changing Structure of American Agriculture: A Special Report

for the 1985 Farm Bill, were used by the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture to develop agricultural policy in the 1985 Farm Bill. The Chairman of the House Committee on Agriculture commended this Report as an important contribution to the assessment of possible changes under consideration in the 1985 Farm Bill. Several provisions of the public law, as passed, are directly attributable to OTA's work.

8. Managing the Nation's High-Level Radioactive Waste. The Subcommittee on Energy Conservation and Power of the House Committee on Energy and Commerce used this assessment to identify options to be evaluated by the Department of Energy in its forthcoming analysis of the need for a monitored, retrievable storage facility for high-level radioactive waste. In his request that OTA review DOE's study of alternative means of financing and managing the civilian radioactive waste program, the Chairman of the Subcommittee on Energy, Nuclear Proliferation, and Government Processes, Senate Committee on Governmental Affairs, cited OTA's work as a valuable source of objective analysis for the Congress. OTA's work assisted the Committee in its deliberations on the Nuclear Waste Policy Act and in the development of amendments to that Act.

9. The House Committee on Education and Labor used OTA's analysis of some of the implications of early notification of plant closings or of mass layoffs, derived from the ongoing assessment of Technology and Structural Unemployment: Reemploying Displaced Adults, in deliberations on a bill that would require advance notice of plant closings.

10. Strategic Materials: Technologies to Reduce U.S. Import Vulnerability has been used by the House Committee on Science and Technology in their consideration of a national materials R&D policy and in their hearings on the implementation of the National Critical Materials Act of 1984. The Committee has been interested in alternatives to dependence on

South Africa for supplies of critical materials, and has been especially interested in OTA's findings on the role of information and data analysis capability as it relates to strategic materials. The Report has also been used as background to inform Congressional concern over stockpile proposals. The Chairman of the Senate Committee on Commerce, Science, and Transportation praised the Report as a valuable insight into ways to reduce the nation's dependence on strategic materials, saying that the Report would be useful to the Committee as it considered the research budgets of the National Aeronautics and Space Administration and the National Bureau of Standards, both of which conduct materials research.

11. Testimony based on OTA's Technical Memorandum, Energy Technology Transfer to China, helped the House Committee on Energy and Commerce review the Agreement (submitted by the President) between the U.S. and China on transfer of nuclear power technologies.

12. OTA's Technical Memorandum, Review of the Public Health Service's Response to AIDS, was used as the basis of hearings and continuing oversight of the activities of the Public Health Service in regard to AIDS by the House Committee on Energy and Commerce and the House Committee on Government Operations. Both Committees cited the report as an "invaluable resource document."

13. OTA's evaluation of the scientific value of a study of Vietnam era identical twins (to assess the impacts of the war on veterans) was instrumental in the decision not to proceed with that study, which would have cost about $8 million. This work was an adjunct of OTA's ongoing review of the conduct of the Agent Orange studies undertaken by the Centers for Disease Control. OTA has taken a strong stand on the need to develop a scientifically meaningful index of exposure to Agent Orange before the study progresses, and the work done by OTA has been

cited as very valuable to the Committees on Veterans' Affairs as they oversee the course of these studies.

14. Testimony accompanying the release of OTA's Report, Electronic Surveillance and Civil Liberties, helped the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, House Committee on the Judiciary, and the Senate Committee on the Judiciary in consideration of the Electronic Surveillance Act of 1985. The ongoing study from which this Report was derived, Federal Government Information Technology, helped the House Committee on Government Operations in its hearings to consider H.R. 2889, the Computer Security Research and Training Act of 1985, and, in particular, to evaluate National Security and Decision Directive 145 that assigns certain responsibility for the security of civilian government information systems to the National Security Agency.

15. Civilian Space Stations and the U.S. Future in Space was a timely resource for Committees considering NASA's authorization and funding for the proposed space station. For example, the Subcommittee on Space Science and Applications of the House Committee on Science and Technology asked OTA to testify on the possible options in design and capability of the space station. The study laid out the implications of alternative budget cuts or stretch-outs on the deployment of a station. The Report was also used by Members of both the House and Senate to support their request that the President establish a National Commission on Space. The Report included analysis of a range of possible commitments in addition to the one proposed by the Administration.

Current Work

The most controversial and complex issues facing Congress are often the subjects of OTA's work. At present, our work includes studies of:

1. Reduction of Industrial Hazardous Waste -- The generation of hazardous waste by industry poses a range of environmental risks and increasingly high costs. Only within the past decade has it become clear that the land disposal of hazardous wastes is fraught with risks, particularly to groundwater. This assessment will examine and review the technical options to substantially reduce the amount and hazardous nature of industrial hazardous wastes, only some of which may be currently regulated under the Resource Conservation and Recovery Act and state programs. There are very large environmental and economic implications of innovations that reduce the amount of waste produced for a given output of product.

2. Life-Sustaining Technologies and the Elderly -- Recent technological advances in the treatment of chronic disease and acute illness, combined with greater access to such care, make it possible to keep persons alive who might never have survived in the past. One result is that more older persons than ever before are surviving to the oldest ages (75 and over). These advances are accompanied by complex legal, ethical, and financial issues concerning the definition of death, appropriate use of life-sustaining technologies, quality of life, patients' rights, surrogate decision-making, and the allocation of federal resources. Data indicate that of all Medicare reimbursements (approximately $70 billion in 1986) up to 30 percent are made for care of older Americans in their last year of life; half of all nursing home costs are paid by federal Medicaid dollars. This assessment is examining these technological advances and their implications for the elderly.

3. Technologies to Control Illegal Drug Traffic -- Control of illegal drugs entering the United States from foreign countries is an important part of federal drug law enforcement efforts. The detection and seizure of drugs at U.S. borders depends on a number of advanced technologies, including radar and other sensing devices, and specialized ships and aircraft. This assessment is evaluating current

and proposed technologies for drug interdiction, their cost-effectiveness, and their most appropriate use in controlling illegal drug traffic.

4. Hazardous Materials Transportation -- The safe transportation of the 4 billion tons of hazardous commodities and radioactive and chemical wastes shipped annually in the U.S. is a concern at all levels of government. This assessment is directed toward these fundamental issues: 1) the data and information systems for tracing commodity and waste transport and accident reporting; 2) the adequacy of the containers used in hazardous materials transportation; and 3) training needs for emergency response and enforcement personnel. It will examine the roles of Federal, state, and local governments in these areas. The assessment will suggest alternatives for improved management of hazardous materials transportation and will develop a range of policy options.

5. Alternatives for Improving NATO's Defense Response -- Recent initiatives to improve NATO's defenses have focused on "follow-on forces attack" (FOFA), a tactical interdiction mission that aims to defeat an invasion by attacking enemy forces while they are moving toward the battle area. U.S. programs to develop a capability for deep interdiction may be able to substantially increase NATO's non-nuclear defense capabilities. This OTA assessment is developing a comprehensive appraisal of the military and technical risks and opportunities of applying various alternative technologies to the "deep interdiction" capability in NATO, with particular attention to possible implications for Alliance cohesion and cooperation.

6. Low-Resource Agriculture in Developing Countries -- In Africa, as in many developing countries, subsistence farmers hold the key to increasing food production. The continuing need for massive food aid to these countries demonstrates the failure of many past agricultural, development assistance, and resource protection policies. Most people

in developing countries are subsistence farmers who cannot obtain or afford the expensive fertilizers and pesticides upon which the high-yield technologies are based. This assessment will: 1) determine which new technologies can increase African food production in socio-economically and environmentally sustainable ways; 2) identify the U.S. role in technology development and transfer; 3) assess actual and potential benefits to the U.S. from participation in international agricultural research on low-resource methods; and 4) evaluate certain aspects of the Sahel Development Program as a case study in U.S. public and private assistance to Africa.

7. New Communications Technology: Implications for Privacy and Security -- The federal government, the largest single user of information technology equipment, is confronted with new generations of products bring much greater capability to managers and users for accessing, manipulating, and transmitting information. The study examines new and prospective capabilities of communications technology, assesses their impact on privacy and security, and analyzes how the combination of technical, administrative, and legal safeguards can cope with privacy, vulnerability, and security implications.

Future Work

OTA is often asked what assessments it is planning to undertake. Our agenda is determined by the expressed needs of Congressional Committees, so we obviously hesitate to make such a prediction. However, OTA has prepared an illustrative list of subjects that are representative of the kinds of new assessments that we may be asked to undertake. (See Attachment 1) This list is drawn from a much longer group of subjects that has come to OTA's attention via its own work as well as from interactions with Members and staff of Congress, and from peers throughout and outside government. The studies are briefly described on pages 35-38; 51-54; and 68-71 of OTA's Justification of Estimates.

Summary of Request

OTA anticipates increasing Congressional requests for its assistance in FY 1987. Much of OTA's work is directed toward those areas and issues most important to Congress in making decisions concerning long term deficit reductions. Requests for new assessments and follow-on analyses will increase, but we also expect the effects of the information needs of critical concern to Congress and the budgetary pressures of the Balanced Budget and Emergency Deficit Control Act of 1985 to result in increased emphasis on testimony, briefings, Technical Memoranda, and other short-turnaround, special analyses for Committees. Still, we believe that OTA should continue to invest a significant portion of its resources in studies of the longer term issues and opportunities that arise from developments in science and technology.

OTA has requested $17,700,000 for FY 1987. This level of support would permit OTA to regain its ability to respond to the increasing demand for assistance. Through careful cultivation over several years, OTA has developed a core staff whose expertise and background cover an extraordinarily broad spectrum of science and technology. Because of this unique capability, OTA is able to respond in a variety of ways to most Committee requests on technical issues. In turn, Committees have come to rely heavily on OTA's expert assistance. The reductions that OTA is making this year (FY 1986) will not require a reduction of permanent staff, but contracting and temporary staffing, from which OTA derives much of its needed supplemental expertise, will have to be reduced.

The scope of current assessments is being reduced, the starts of some new Board-approved assessments are being delayed, and the number of new starts reduced. At its present operating level, OTA is very close to the minimum point where it can maintain essential technical strength in each of the nine Program areas. I remind the Committee that essentially all of OTA's activity is formally sought in advance by at least one Congressional Committee. OTA does not self-initiate work. If the resources requested are provided, OTA would again be able to tap special outside sources of expertise to complement in-house expertise and assure responsiveness and excellence of OTA's products.

Reimbursable SDI Study

In Fiscal Year 1986 and Fiscal Year 1987 (with Technology Assessment Board approval) OTA will conduct a study on SDI, as provided in Section 101(b) of Public Law 99-190:

> "For expenses of activities and agencies of the Department of Defense ... $6,637,386,000 of which $700,000 shall be available only for the purposes of carrying out, through the Office of Technology Assessment, a comprehensive classified study to be submitted to the Appropriations Committees of the House of Representatives and the Senate, together with an unclassified version, no later than August 30, 1987, to determine the technological feasibility and implications, and the ability to survive and function despite a preemptive attack by an aggressor possessing comparable technology, of the Strategic Defense Initiative Program ...."

The study shall include an analysis of the feasibility of meeting SDI computer software requirements. (Conference Report No. 99-450, accompanying H.J.Res. 465)

OTA did not anticipate this assignment but will be able to accommodate it by diversion of key personnel from other projects.

Thank you for consideration of this request.

Attachment 1

Candidate Areas for Assessment in Fiscal Years 1986 and 1987

The 40 topics given in this list have been identified by Congressional Committees, OTA, and its advisors as typical technical issues that the Congress will face over the next several years. Of course, the list does not necessarily contain the assessments OTA will actually undertake in Fiscal Years '86 and '87. Past experience shows that a substantial fraction of OTA's new projects are not predictable even a year in advance.

Note: This list is not given in order of priority.

Energy and Materials

- Wheeling of Electric Power: Constraints and Opportunities
- Technologies for Decommissioning Nuclear Power Plants
- Water and Wastewater Systems
- Impact of New Electronic and Optical Materials

Industry, Technology, and Employment

- Technologies to Improving Productivity in Manufacturing
- Potential for a Competitive U.S. Pollution Control Industry
- Skills Needed in the 21st Century Workforce
- Job Opportunities Likely to Exist for Less Skilled Workers
- Impacts of Military Spending on Commercial Technologies

International Security and Commerce

- Effectiveness of Seismic Technology for Arms Control Verification
- Future of Space Transportation
- Technologies for Military Costs Reduction
- Technology Transfer on the Pacific Rim
- Transfers of Dual Use Technologies
- Technologies to Combat Terrorism

Biological Applications

- Biology of Space Flight
- Alcohol and Substance Abuse
- Pain and Pain Relief
- Technologies for the Treatment of Burns: Cultivation of New Skin

Food and Renewable Resources

- Agricultural Technology Transfer within the United States
- Renewable Resource Evaluation Technologies
- Reclamation of Degraded Lands for Agricultural Use
- Technologies for Intensive Food Production on Small U.S. Farms

Health

- Home Testing: The Patient as Doctor
- Tests for Predicting Human Responses to Chemical and Physical Agents
- Technologies for Disease Prevention Among Elderly People
- Health Care Capital and Medical Technology

Communication and Information Technologies

- U.S. Telecommunication Infrastructure
- Knowledge-Based Systems and Complex Information Processing
- Human-Computer Interactions: Implications for the Programs of the Federal Government
- International Telecommunications

Oceans and Environment

- Non-Point Source Pollution and the Health of the Nation's Fresh Waters
- Technologies to Provide Potable Water to the Nation
- Responding to Natural Disasters
- Household Toxics
- Environmental Protection from Federal Facilities

Science, Education, and Transportation

- Technologies and Literacy
- The Changing Role of the University as the Provider of Research
- Protecting the Nation's Investment in Transportation
- Peer Review for Scientific Funding

CONGRESSIONAL BUDGET OFFICE

RESUMPTION OF TESTIMONY OF RUDOLPH G. PENNER, DIRECTOR, CONGRESSIONAL BUDGET OFFICE

PROCEDURES FOR 1987 DEFENSE BILL

Senator D'AMATO. It is now 10 after 11. We resume the hearing, Mr. Penner.

Senator STEVENS. Mr. Chairman, let me interrupt. I have got to go to another meeting. I know Dr. Penner and his people have been meeting with my staff. Could I just ask this: Is it possible that we can set up some kind of procedure now that we can get ready for the 1987 Defense bill so that we don't have these things occur in the future?

Mr. PENNER. I think it is, sir. I mean, there are always going to be problems just from the rapid time frame in which these things work, but it is our desire to get together next week with Budget Committee staffers and our staffers and your staffers to try and talk about improving these procedures so that they work; try to work them in a more timely fashion.

Senator STEVENS. One of the things I would like to have you do is to explore the question of whether we can mandate spendout rates. I think we can. I think we cannot only make assumptions based upon your judgment, but we can tell the Department of Defense that the spendout rate cannot exceed a certain level and not deal with estimates, but deal with mandated expenditure rates.

I am willing to do that if it means that we can get around this fight. I was telling the chairman about the $2.9 billion that the authorization committee was not scored on and we were scored on. That still is a great portion of this $6.3 billion I was talking about previously here.

If we had just one of those items this time, then we can't get a bill.

Mr. PENNER. There is a Rand study on the problems and potentials for managing those things and putting a limit on it. We would be glad to share that with your staff.

Senator STEVENS. I would like to see it.

Mr. PENNER. It involves the Air Force alone.

Mr. BLUM. Rand; yes.

Senator STEVENS. We authorize procurement levels for 840 tanks, but we can say you have 830 tanks; but in no event can you spend more than *x* dollars in 1987. That means if they can only get 840 tanks, that is what comes out. If that is what it takes to come within some reasonable judgments as far as outlays, I would like to have that framed out. I would like to go that route. I think we can hold that. I think we are talking about dollars now rather than production units.

We have been talking about production units in the days when money was a little bit easier to come by.

Senator D'Amato. Wouldn't that simplify your job and get us out of this whole brouhaha?

Mr. Penner. It might simplify our job. I mean, it obviously poses a very severe management problem.

Senator D'Amato. To who?

Mr. Penner. To Penner.

Senator D'Amato. So? My God, you can't find $42 billion over there in the Pentagon that they don't know in terms of that inflation rate. We have gone through that. Maybe they need a little bit of management. Maybe that is one of the ways to get some control as to where dollars go.

ELIMINATING DIFFERENCE BETWEEN CBO AND OMB

Senator Stevens. My judgment is that they, too, understand the problem, and if it means the difference between an outlay rate that is a true $279 billion and one that is only a $272 or $270 billion, they will understand it. We have to eliminate that difference between you and OMB. You were mentioning the Pentagon, but it is my judgment that that comes through, approved by the OMB. That is in the President's budget outlay rate that we have to live by in terms of expenditures.

But we are trying to live by a different one in terms of CBO procedures. I would judge that, Mr. Chairman. I don't want to prolong your hearing. I understand there has been a meeting, as I said, informal. Mr. Penner indicates that we may be able to work something out. I would like to work something out. I am really serious that I don't think we ought to live under this circumstance.

Senator D'Amato. We will close the hearing, close all of the hearings with the exception of that dealing with CBO and this questioning. We will keep that open pending a resolve. I would like to get a resolution here from you and CBO, Senator Stevens and his staff and CBO, because I think this committee's work would be easier.

Senator Stevens. We will try to do that when I get back. My staffs are available to work with you. I know I have talked to Mr. Miller before. I think he would be willing to have his people work, too, to resolve this. You have a great interest in it. You better believe you have a great interest in it from the overall crosswalks.

Senator D'Amato. Keep the record open just for the purposes of receiving a report.

Senator Stevens. Thank you very much.

Mr. Chairman, with your permission, I have a prepared statement I would like to submit at this time for inclusion in the hearing record.

Senator D'Amato. Without objection, so ordered.

[The statement follows:]

STATEMENT OF SENATOR STEVENS

Mr. Chairman, I am pleased to appear before your Subcommittee today in support of OTA's appropriations request. Careful scrutiny of all the programs receiving Federal dollars is, today, more essential than ever, and the assessments, reports, technical memoranda, and other information OTA provides the Congress contain the valuable information and analyses needed to meet Congressional responsibilities in matters involving science and technology. OTA makes it possible for Congress to have prompt access to unbiased and clear information about the longer term benefits and consequences of scientific and technological choices, especially important in the drive to cut budgets.

Both Houses of Congress depend upon the services provided by the shared staff of OTA. The number of requests from Committees to perform studies, particularly short-turn-around analyses directly related to legislative needs, is steadily increasing. Yet since FY 1985, the budget of OTA has been declining, even as the costs of completing studies has increased. Other Congressional support agencies are feeling similar pressures.

OTA has responded to these increased demands on time and decreased resources, but at a price. As OTA has "mined" its supply of published and ongoing studies, new, longer-term assessments — the key to OTA's wealth and renewal of knowledge — have been delayed, scaled down, or have not been undertaken due to a paucity of funds. A continuing ability to respond quickly, comprehensively, and accurately to Congressional inquiries requires constant regeneration of the knowledge base, through the the type of in depth assessments that have created the respect OTA currently holds. Congress must provide the funds necessary to sustain the intense level of effort we require from this shared resource.

A study done by OTA is freely available to all of Congress and need not be repeated by the staffs of Committees with overlapping jurisdictions or in different bodies. This accessibility is particularly valuable since OTA's work covers issues that involve Congressional choices and savings many times greater than the cost of the analysis. These issues include hazardous wastes, health care, national security and international trade, and communication and information technologies, to name a few. As budget pressures have forced cuts in the staff time and resources available to Committees, OTA and the other support agencies have been asked to take on more assignments than their decreasing budgets can support. It would be counter-productive to continue to cut funds for these agencies when, in fact, modest budget increases will be required if they are to provide the minimum support that Congress requires.

Several European nations are in the process of establishing institutions similar to OTA within their governments. They are uniformly impressed by the accurate, carefully integrated, and understandable analysis made available to Congress, and the nation, through the operations of this relatively small agency. The methods OTA uses to gather and to catalyze the information into useful products for Congress are unique in the United States and the world. We in the Congress should be proud of the resource that we have created and continue solid support for the institution and the accomplishment it represents. We must carefully preserve our ability to obtain high quality analytical work to help Congress make informed decisions within the constraints of our budgetary crisis.

Attached, for your consideration, are brief descriptions of some of OTA's work that illustrate OTA's usefulness to the Congress. I believe that the Congress must fund OTA at a level that will enable it to undertake slightly more projects in FY '87, and hope that you will look favorably upon the agency's budget request.

Attachment

Brief Descriptions of OTA's Work in Selected Areas

BIOTECHNOLOGY

OTA has published two reports on biotechnology: their first report on biotechnology, Impacts of Applied Genetics: Micro-Organisms, Plants, and Animals, was published in April 1981, and a second, Commercial Biotechnology: An International Analysis, was published in January 1984. A third, broad assessment, New Developments in Biotechnology, has been initiated and will produce several reports.

The 1981 report examined the application of classical and molecular genetic technologies to micro-organisms, plants, and animals. It found that current developments are especially rapid in the application of genetic technologies to micro-organisms, and studied these developments in three industries: pharmaceuticals, chemicals, and food. The report describes current techniques and looks ahead at some of their economic, environmental, and institutional impacts. It outlines the possible roles that government, industry, and the public might play in determining the future of applied genetics.

In the 1984 publication, OTA found that the United States was in the forefront in the commercialization of biotechnology, largely due to a well-developed life science base, the availability of financing for high-risk ventures, and an entrepreneurial spirit. OTA also concluded, however, that federal funding of generic applied research and personnel training in the areas of bioprocess engineering and applied microbiology may be insufficient to support rapid commercialization. OTA analyzed the level of activity in the competitor countries — Japan, the Federal Republic of Germany, the United Kingdom, Switzerland, and France — in the commercialization of biotechnology from three perspectives: the number and kinds of companies; the markets targeted by industrial R&D; and the interrelationships among companies and the overall organization of the commercial effort.

The new assessment will focus on several interrelated areas: the directions in which biotechnology is developing, including environmental and medical applications; the social utility of these applications; and the implications of the technology for intellectual property law. Scheduled for publication in 1986 are reports on human biological materials used in research and commerce, and on environmental application of genetically altered organisms. Additional reports from this assessment will be published in 1987 and 1988 on the following topics: potential applications that may be be socially useful but low in profitability, and, thus, probably not developed without public support; intellectual property law as applied to biotechnology; and private and public funding of basic, generic applied, and applied research. The assessment was requested by two Committees from the Senate, and two from the House.

OTA was recently awarded a prize from the American Commercial and Industrial Conference and Exposition in Biotechnology (Bio Expo '86) for outstanding technology service. Bio Expo's advisory board found that "OTA, more than any other office, agency, or department within the U.S. Government, has provided leadership at critical stages in the development of domestic biotechnology and has catalyzed further research, development, and commercialization."

NATO DEFENSIVE TECHNOLOGIES

Alternatives for Improving NATO's Defense Response (Ongoing)

This OTA assessment is developing a comprehensive appraisal of the military and technical risks and opportunities of applying various alternative technologies to the "deep interdiction" capability in NATO, with particular attention to possible implications for Alliance cohesion and cooperation. The study is focused on comparing alternative new munitions to the existing munitions, and other issues such as aircraft and missile platforms and target acquisition systems will be reviewed. Unsolved technical problems will be identified and assessed. Soviet doctrine and U.S. and Allied strategy and doctrine will be reviewed to assess the military value of various approaches to interdiction, and possible Soviet responses. Finally, the project will identify and assess possible U.S. policy options for developing this capability. The assessment has produced one interim deliverable, Technologies for NATO's Follow-on Forces Attack Concept, and was requested by one Senate and two House Committees.

ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS)

OTA first addressed the AIDS issue in its 1985 assessment, Blood Policy and Technology. This report assessed technologies affecting the availability, users, and risks of blood. Areas assessed were: blood collection, processing, storage, and distribution; identification, isolation, production, and use of blood components; blood substitutes; and identification and prevention of blood-transmitted diseases and other risks.

Since AIDS has become the focal safety issue since the disease was found in transfused patients and hemophiliacs, OTA followed up the assessment with a technical memorandum, Review of the Public Health Service's Response to AIDS. This technical memorandum describes what is known about the biology of AIDS and examines whether the amount of support for AIDS activities has been equivalent to the effort that scientists believe is necessary. The study questions whether a quick technological solution is at hand and finds that progress against AIDS will come only in increments. The study also raises the issues of confidentiality and informed consent that AIDS testing brings into play.

At the request of members of both the House and Senate, OTA is following the developments in AIDS research and provides briefings as they are requested.

SMOKING

The costs of smoking — both to smokers and the people exposed to their smoke — have become a major topic of debate both within the government and in the private sector. OTA has addressed this issue at the staff paper level at the request of Members of both the Senate and the House. In Smoking Related Deaths and Financial Costs (1985), OTA reviews estimates of the number of smoking-related deaths and the costs associated with those deaths. The staff paper then presents OTA's own estimates of smoking-related deaths, life-years lost, health care costs, and the costs of lost productivity. A more recent staff paper, Passive Smoking and the Workplace: Selected Issues (1986), reviews studies of health effects related to passive smoking; summarizes current Federal, State and local, and private sector workplace smoking policies; and discusses factors to be considered in an analysis of the costs and benefits of implementing a workplace smoking policy. I requested this staff paper in my capacity as Chairman, Subcommittee on Civil Service, Post Office, and General Services, Committee on Government Affairs.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

Question: Though belts are tightening throughout the Legislative Branch, your justification includes a request of $70,000 for "refurbishing of the physical environment." Is this really important?

Response: After ten years of heavy use, some of OTA's interior furnishings are showing severe signs of wear and should be replaced, but we can make do with what we have a little longer.

Question: What kind of furniture do you wish to purchase with the $30,000 you are requesting for that purpose? What will the other $40,000 purchase?

Response: Conference tables and chairs and bookcases would be the first items purchased with the $30,000 we have requested for new furniture. The other $40,000 would go into paint and carpet replacement.

Question: You estimate up to a 10% increase in contractor compensation and travel, and 7% in copier service and printing. Please explain these increases, and why you haven't re-solicited new contractors instead of giving more money to the old ones. Also, if you are predicting that the GRH cuts will result in fewer reports, why the 10% increase in travel?

Response: OTA re-competes all contracts before renewal. The estimated increases in contractor compensation and travel costs and in copier service are based on market surveys of those sectors. The increase in printing costs is based on figures provided by GPO. OTA has responded to the GRH cuts with a decrease in the number of new full assessments, but with an increase in the number of shorter-term special responses based on knowledge gained in previous or ongoing assessments. Bringing outside experts in for workshops on these special responses will result in an increase in travel costs, but in lower costs in general.

Question: Your request for 143 full-time, permanent employees has remained consistent since 1985, though you augment your staff with consultants, temporaries, and detailees. How are these people selected? What kinds of work do they do? Please provide a table of how many of each you have used in the last three years, by year, and how long these people stay.

Response: OTA's consultants, temporaries, and detailees are selected for their expertise in a particular subject matter that may be essential to a specific assessment, but which will not necessarily be required at OTA following completion of that assessment. These people generally work as analysts or senior analysts on an assessment, and constitute a key part of the project staff for the duration of their tenure.

The chart attached provides figures on OTA's use of consultants, temporaries, and detailees during FY 84, FY 85, and FY 86 to date.

Number and Average Tenure of Temporary Employees
(by Fiscal Year)

	FY 84		FY 85		FY 86 (to date)	
	No.	Avg. Tenure (In Months)	No.	Avg. Tenure (In Months)	No.	Avg. Tenure (In Months)
Temporary	75	13	39	10	29	*
Detailee	5	14	2	2	3	+
Consultant	65	#	56	#	53	#
Fellows	4	18	4	10.5	**	

* Average tenure is expected to remain in the 10-13 month range.

+ The detailees accepted in FY 86 are anticipated to have tenure of approximately 12 months.

# Consultants serve on an intermittent basis, and often serve without charge.

** Two Fellows for the 1986-87 Fellowship year have been selected, but have not yet begun their appointments. It is anticipated that they will serve approximately 12-18 months.

Question: Please explain why and how you want to upgrade your telephone system at a cost of $50,000. What about your outfit requires a specialized phone system?

Response: OTA's long-distance system has not been upgraded in a number of years, resulting in lost productivity due to unavailability of lines. The $50,000 request was to provide for additional WATS lines and direct dial costs, in addition to the costs for the moves and changes that will be made in the phone lines as OTA consolidates some of its office space onto one floor of the building we occupy. However OTA has recently been allowed to join the House of Representatives' WATS system, and the increase in costs should be less than originally anticipated in the Justification of Estimates.

Question: Are you aware that the House and Senate have been engaged in discussions for many months concerning a Hill-wide telephone system involving the entire legislative branch?

Response: OTA is aware of, and has had a technical representative deeply involved in, the plans for a new Hill-wide telephone system. Since we are currently part of the House and Senate telephone system, we will be joining with either the House or the Senate in the installation of a new system, when the necessary approvals are given by both Houses.

Question: Does your request of $1.7 million for contracting services, including contractor travel, tie in with your $25,000 general travel request? Please break down this $1.7 million figure for us -- it is the largest single figure in your request.

Response: The $25,000 general travel request is for staff travel only. Travel for contractors is included as part of the contract.

The following chart details the $1.7 million increase in contracting services:

TYPE OF SERVICE	AMOUNT OF INCREASE
In-house contractors	59K for increased contracting associated with increased work load.
Panel/Work Groups	182K for increased panel meetings associated with increased assessments and workshops.
Research Contracts	1,419K for increased project contracts associated with the increased number of assessments and special responses.
Purchase Orders	10K for in-house computer training.

Question: In last year's hearing there was discussion of a number of "temporary" employees who had been with you for over a year. Please tell us how many of your current "temporary" staff have been with you for over a year.

Response: As of July 1, 1986, 18 of OTA's total of 56 temporary employees had been on board more than one year. These employees will be terminated when the project to which they are assigned is completed, or, in a few cases, they will be converted to permanent status if their particular expertise is deemed of continuing importance.

Question: Mr. Gibbons, earlier this month I was in contact with you about the Physician Payment Review Commission.

As you may recall, I expressed my deep disappointment that, of the 11 individuals selected by you to serve on this newly-created commission, not one of those individuals could be considered a representative of rural America.

As a member of the Senate Rural Health Caucus, I am particularly concerned about ways to improve access to quality health care for the millions of individuals who live in rural communities, and especially rural communities of Arkansas.

I might note that fully one-quarter of the elderly reside in rural communities where access to health care is contingent upon the willingness of physicians to practice in sparsely populated areas. Yet, all too often, rural America is overlooked by those responsible for the national health care policy.

Mr. Gibbons, when I was in contact with you earlier this month, I strongly urged you to reconsider your decision and include a rural physician on the panel. Inclusion of such a rural physician, one who lives and works in a small community, would help assure that the Secretary of Health and Human Services and the Members of Congress would receive balanced advice which would take into account all regions of the country, and especially the rural areas.

Mr. Gibbons, I again express my deep disappointment that, of the 11 individuals selected by youto serve on the newly-created Physician Payment Review Commission, not one of those individuals could be considered as a representative of rural America.

What is your response to my concerns?

Response: Senator Bumpers, I do indeed recall your personal contact and your expression of dismay over the lack of explicit representation of rural America on the Commission. At the time, I agreed, and of course I still do, that your concern was of great importance. Senator, I am aware that fully 47% of America's community hospitals are registered as rural, and in particular that in Arkansas the figure is 78%, one of the highest in the nation. Thus, I am particularly sensitive to your special interest.

As a result of your quick reaction and that of the other distinguished members of the Senate Rural Health Caucus, I immediately made a commitment to be responsive to your concerns. I will select a well-qualified rural physician to be a commissioner-designate representing rural America. The commissioner-designate will be appointed in time to be a full participant in the meetings, deliberations, and other activities of the commission from the outset, but will not have voting privileges. The commissioner-designate will be appointed by me as a full voting member of the Commission when the first opening occurs. This could be earlier, but will not be later than, next May. This will ensure that the advice and experience of someone who lives and works in a small community is meaningfully and directly available.

Senator Bumpers, I know that you are aware that the selection process was difficult because of the need to represent at least eight legislatively specified areas of expertise within the confines of a Commission of only eleven members. Thus, I am hopeful that you will be understanding of my situation, especially in view of my commitment to what I believe to be a quick and effective remedy to the initial omission of a representative of rural America.

Question: Is OTA engaged in any follow-up activities to its 1985 report dealing with the Strategic Defense Initiative?

Response: Public Law 99-190 calls for OTA to conduct a "comprehensive classified study [and make available an unclassified version] to determine the technological feasibility and implications, and the ability to survive and fuction despite a preemptive attack by an agressor possessing comparable technology, of the Strategic Defense Initiative Program (SDI)."

OTA will fulfill this legislative mandate by carrying out three tasks by the August 1987 deadline:

1) The report to which you refer, New Ballistic Missile Defense Technologies, was published by the GPO in September 1985, and recently republished by the Princeton University Press. In the new project, the analysis will be updated with respect to the technologies currently being researched under the SDI. Special attention will be given to reporting on technical progress made in the intervening two years (early 1985 to early 1987).

2) OTA will examine the best currently available information on the prospects for functional survival against preemptive attack upon alternative ballistic missile defense system architectures currently being studied under the SDI.

3) The third task will address the requirement imposed on OTA in the conference report to the bill, which specified that the study should include an analysis of the feasibility of meeting SDI computer software requirements. OTA will analyze whether it is feasible to develop reliable software to perform the battle management tasks required by the system architectures being studied.

Question: What are the three or four most critical technical issues that OTA should be addressing for the 100th Congress and beyond?

Response: We feel that OTA is currently addressing issues that are going to be high priority for the 100th Congress and beyond, and we will continue to work in these areas. Among the most critical issues are U.S. industrial and technological competitiveness; national defense and arms technologies, including the Strategic Defense Initiative; medical technologies, including costs and quality of health care delivery; and waste management and reduction, comprising both nuclear and non-nuclear hazardous wastes. Clearly, technology provides important options to the nation, but along with those "goods" are inescapable challenges for public governance of certain features of technology. OTA, responding to various committee interests and guided by its Congressional Board, will continue to commit its analytical resources to the areas of greatest need.

Question: I have noted that many people from the private sector and from state and local government are involved in OTA's work. Would you provide for the record what these people do for OTA and how their services benefit your work for Congress?

Response: OTA relies heavily on individuals from outside the federal government in our pursuit of quality, completeness, and usefulness of our reports to Congress. Each year OTA works with over 1500 people from the private sector and from state and local government in an effort to complement and benefit from others' experience and perspectives. OTA probably takes best advantage of these people, many of them volunteers, through service on advisory panels.

The advisory panel assembled for each assessment typically includes 12-20 people representing relevant experts and stakeholders — from industry, academia, public interest groups, etc. — to the issue. Through meetings, three or more over the course of the project, and comments on draft work products, the panels provide OTA with assurance that the work is comprehensive, accurate, fair, and as free as possible from bias. The panels neither write nor approve the final documents, but the project staff attempt to understand and reflect all legitimate concerns of the panel in the final draft.

When an assessment nears completion, the advisory panel's expertise is supplemented by other individuals chosen to provide critical review and comment on the final draft. Extensive peer review of OTA documents is part of a series of checks on the work's accuracy and objectivity.

OTA has also been fortunate to find individuals from the private sector willing to help us prepare special reports for the Congress. These individuals are assembled for workshops on issues of particular and immediate concern to Committees, and their assistance is invaluable in preparing and delivering very timely, topical documents suited to the legislative calendar.

The panelists, workshop participants, and reviewers OTA calls upon are the most highly respected experts in their fields, both from within and outside the United States. Their assistance, coupled with the private sector contracting OTA uses for certain research tasks, gives OTA an approach to analysis that is unique within the Congress.

Question: OTA has performed considerable work on the issue of nuclear power and disposal of nuclear waste. Do you foresee substantial further work in this area? Please elaborate for the record.

Response: OTA has completed three assessment reports that examined nuclear power reactors, nuclear research and development, and nuclear proliferation: (1) Nuclear Power in an Age of Uncertainty, (2) Nuclear Powerplant Standardization: Light Water Reactors, and (3) Nuclear Proliferation and Safeguards. These studies provide a good overview of the technical aspects of each of these issues. Since some of these studies date back to the 1970's, they could benefit from being up-dated, although they contain much material that is still relevant and timely. There are several related topics that OTA has not examined, including: nuclear energy in space or military applications; nuclear materials production for military or medical purposes; and the health and environmental consequences of long-term radiation.

OTA has also completed one major assessment, Managing the Nation's Commercial High-Level Radioactive Waste, plus numerous special analyses in the area of nuclear waste disposal. OTA was actively involved in development and oversight of the Department of Energy's Mission Plan for the civilian radioactive waste management program, and in February 1986, we analyzed alternative means of financing and managing waste facilities. In May 1986, OTA prepared a staff paper on subseabed disposal of high-level radioactive waste. If any substantial difficulties arise in the implementation of DOE's Mission Plan (it would be surprising if problems do not arise) it is likely that the relevant committees will call upon OTA for additional support.

Question: The U.S. leads the world in biotechnology. Do you beleive that the U.S. will maintain its competitive advantage in this area? Please elaborate for the record.

Response: OTA has concentrated a significant portion of its resources in the biotechnology issue area. Our first report on biotechnology, Impacts of Applied Genetics: Micro-Organisms, Plants, and Animals, was published in April 1981, and a second, Commercial Biotechnology: An International Analysis, was published in January 1984. A third, broad assessment, New Developments in Biotechnology, has been initiated and will produce several reports. Scheduled for publication in 1986 are reports on human biological materials used in research and commerce, and on environmental application of genetically altered organisms. Additional reports from this assessment will be published in 1987 and 1988 on the following topics: potential applications that may be be socially useful but low in profitability, and, thus, probably not developed without public support; intellectual property law as applied to biotechnology; and private and public funding of basic, generic applied, and applied research.

In the 1984 publication, OTA found that the United States was in the forefront in the commercialization of biotechnology relative to Japan, the Federal Republic of Germany, the United Kingdom, Switzerland, and France. A number of factors were identified that could result in erosion of the U.S. lead. Among these were failure to arrest the decline in funding for basic life science research, the need for funding of generic applied research in several key areas, the need to train additional personnel in several fields, and the need to clarify uncertainties with respect to regulation of biotechnology products. Today these remain important to the U.S. competitive position. Perhaps the most critical problem to resolve at the present time is how to conduct field trials of genetically altered organisms. A solution to the potential conflict between the need to establish adequate approval processes and the need to maintain competitive position in a rapidly advancing field must be found.

OTA was recently awarded a prize from the American Commercial and Industrial Conference and Exposition in Biotechnology (Bio Expo '86) for outstanding technology service. Bio Expo's advisory board found that "OTA, more than any other office, agency, or department within the U.S. government, has provided leadership at critical stages in the development of domestic biotechnology and has catalyzed further research, development, and commercialization."

CONCLUSION OF HEARINGS

Senator D'AMATO. The committee will recess and reconvene at the call of the Chair.

[Whereupon, at 11:15 a.m. Thursday, June 26, the hearings were concluded and the subcommittee was recessed to reconvene at the call of the Chair.]

LIST OF WITNESSES, COMMUNICATIONS, AND PREPARED STATEMENTS

Page

Balderson, Stuart F., Financial Clerk of the Senate, prepared statement ... 31
Black Employees of the Library of Congress and Ethnic Employees of the Library of Congress, prepared statement ... 139
Blum, James L., Assistant Director, Budget Analysis Division, Congressional Budget Office ... 205
Boorstin, Daniel J., Librarian of Congress ... 95
    Prepared statement ... 99
Bowsher, Charles A., Comptroller General of the United States, and Chairman, Railroad Accounting Principles Board ... 145
    Prepared statements ... 147, 159
Brown, Richard L., Controller, General Accounting Office ... 145
Cannon, M. Joseph, Comptroller, Government Printing Office ... 185
Coe, Jo-Anne L., Secretary of the Senate ... 1
    Prepared statement ... 3
Curran, Donald C., Associate Librarian of Congress ... 95
Fee, Francis X., Assistant Comptroller General for Operations, General Accounting Office ... 145
Fossedal, Donald E., Assistant Public Printer (Superintendent of Documents), Government Printing Office ... 185
Garcia, Ernest E., Sergeant at Arms and Doorkeeper ... 39
Gibbons, John H., Director, Office of Technology Assessment ... 271
    Prepared statement ... 276
Howe, Robert, Inspector, Capitol Police ... 39
Joyner, James N., Director, Customer Service Staff, Government Printing Office ... 185
Kennickell, Ralph E., Jr., Public Printer ... 185
    Letter from ... 194
    Prepared statement ... 186
Morris, John, Superintendent, Congressional Printing Management Division, Government Printing Office ... 185
Moy, Grant G., Jr., General Counsel, Government Printing Office ... 185
Penner, Rudolph G., Director, Congressional Budget Office ... 205, 291
    Prepared statements ... 208, 293
Ross, Joseph E., Director, Congressional Research Service, Library of Congress ... 95
    Prepared statement ... 106
Socolar, Milton J., Special Assistant to the Comptroller General, General Accounting Office ... 145
Welsh, William J., Deputy Librarian of Congress ... 95
White, George M., Architect of the Capitol ... 57
    Prepared statement ... 60

SUBJECT INDEX

ARCHITECT OF THE CAPITOL

Page

- Administrative Office of the U.S. Courts 72
- Calder scupture 64
  - Assembly time 65
  - Aesthetic judgment 66
- City Post Office Building use 72
- East Plaza security 69
  - Parking facilities 69
- Hart elevators 59, 63
  - Elevator service studies 63
- Immigration Building renovation 70
  - Number of parking spaces 70
- Increases 57
- Language changes 58
- Maintenance 58
- Perimeter security 71
  - Construction of Capitol fence 73
  - Vehicular security 73
  - Entrance security 74
- Programs, new 58
- Security program 71
- Senate subway system 72
- Submitted questions 74
- Supplemental items 59
- West Front restoration 66
  - Stone coatings 67
  - Completion 68

CONGRESSIONAL BUDGET OFFICE

- Balanced Budget Act, impact of 206
- Budget request 205
- CBO and OMB, eliminating difference between 292
- CBO readouts 261
- Increases listed 206
- Military retirement reform 257
- OMB, differences with 262
- Outlays and authority, explanation of 263
- Procedures for 19878 defense bill 291
- Ratio of budget authority to outlays 257
- Scoring anomaly 259
- Sequester action 258
- Sequestration report impact 206
- Submitted questions 265, 296
- Workload, increased 205

GENERAL ACCOUNTING OFFICE

- Asbestos in GAO Building 157
- Budget request 146

Page
Chairman's compliment of GAO work 157
House mark for GAO, adequacy of 156
Railroad Accounting Principles Board 158
Submitted questions 162
Systematic defense budget notification system 156

GOVERNMENT PRINTING OFFICE

Bound Congressional Record 192
Budget:
  Reductions 192
  Request 185
Congressional Record turnaround time 193
  Problem with Record "outs" 193
Hearings, turnaround time on 196
Rules on revision of remarks 195
Submitted questions 196
Urgent supplemental, conference report on 194

LIBRARY OF CONGRESS

Basic collections and services vital 98
Book purchase account 96
Books for the Blind 111
Budget cut 96
Catalog activities 96
Congressional Research Service 97
  Personnel 105, 111
  Vacancies 98
Constitution bicentenary 95
Equal Employment Opportunity Office 108
  Resolving complaint issues 109
  Types of complaints 109
Furniture and furnishings 108
General reading room service hours 97
Increases, fiscal year 1987 95
Library materials, preservation of 97
Preserving the collections 111
Priorities, setting 110
Salaries and expenses 96
Submitted questions 111

OFFICE OF TECHNOLOGY ASSESSMENT

Assistance on security issue, request for 274
Current work, summaries of 273
Farm bill, OTA findings integrated in 273
Good news and bad news 271
Hazardous materials, transport of 274
House mark, OTA's response to 275
Maturation of 271
People from outside government, utilization of 272
Private sector reprints of reports 273
Recent awards to 272

U.S. SENATE

OFFICE OF THE SECRETARY OF THE SENATE

	Page
Budget increases in three areas	2
Gramm-Rudman-Hollings cuts	2
Official mail	30
Submitted questions	31

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

Changes instituted	39
Net reduction	43
Pay increase proposal	42
Procurement function, centralization of	40
Protective services	42
Security enhancement proposal	42
Senate security	43
Office alarms	45
Building security	45
Security on outer perimeter	45
Capitol fencing	46
Submitted questions	47
Technological assessment	41
Telecommunications, procurement of the PBX switch	41
"Worker bees" extolled	40

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